MONDAY SPORTS
Pages 16 and 17

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,245 3/90 ** PARIS, MONDAY, JANUARY 15, 1990 ESTABLISHED 1887

Algeria 6.00 Din. Israel NIS. 3.50 Oman 1.000 Rials
Austria 23 S. Italy 2.000 Lire Portugal 170 Esc.
Bahrain 0.800 Din Jordan 1 JD Qatar 8.00 Rials
Belgium 50 B.Fr. Kenya Shs. 45 Rép. of Ireland .80 P.
Cyprus C£ 1.00 Kuwait 500 Fils Saudi Arabia 7.00 R.
Denmark 12.00 D.Kr Lebanon U.S.$1.10 Spain 165 Ptas.
Egypt E.P 3.250 Libya 1 Din. 0.80 Sweden 10.00 S.Kr
Finland 9.00 F.M. Luxembourg 50 L.Fr. Switzerland 2.60 S.Fr.
France 8.00 F. Madeira 175 Esc. Tunisia 1.000 Din
Germany 2.80 D.M Morocco 10.00 Dh. Turkey T.L. 3.200 00
Great Britain £0.70 Netherlands 3.00 Fl. U.A.E. 8.00 Dirh
Greece 170 Dr. Norway 10.00 N.Kr. U.S. Mil. (Eur.) $0.85
Iran 115 Rials Nigeria 10,00 Naira Yugoslavia 200,000 D

Ed Andrieski/The Associated Press

Broncos Beat Browns for AFC Championship, 37-21

John Elway, the Denver quarterback, was jumped on too late by Thane Gash, a Cleveland defensive back, in the first half of the National Football League playoff game Sunday in Denver. Elway threw three touchdown passes and set up 10 more points with his scrambling runs. Page 17.

A Year of Revolt In Eastern Europe

The Centuries-Old Logic of Power Falls Before the Peoples' Demands

By Jackson Diehl and Jim Hoagland
Washington Post Service

Eastern Europe enters the 1990s in the throes of a continuing anti-Communist revolution. After a year of glorious and spontaneous rebellion, six nations have emerged from the shadow of the Soviet Union to take control of their own affairs.

Turning Points
How Eastern Europe Changed Pages 4 and 5

Like the empires that preceded it in Eastern Europe, the Soviet Union controlled Poland, Hungary, East Germany, Czechoslovakia and the Balkan states of Romania and Bulgaria through a mixture of brute force, local apparatchiks and great-power politics. When people took to the streets, as they did in Berlin in 1953, Budapest in 1956, Prague in 1968 and Gdansk in 1970, the response was the same as it had been in 1795 or 1848: a bloody rout by troops, followed by a ruthless period of "normalization."

The revolution of 1989 spelled the belated collapse of that centuries-old logic of East European power. Inevitably, its protagonist was the Soviet leader, Mikhail S. Gorbachev.

During the course of the year, Mr. Gorbachev withdrew the threat of Soviet force from East European politics for the first time since 1945. Once he had done so, the Communist regimes set up by Stalin had neither the material nor the political means to resist the demands of their own people.

The revolt was driven by the forces that are reshaping the world: modern media and technology, mounting material aspirations and consciousness of human rights. Yet, it was also the result of Mr. Gorbachev's desperate struggle to modernize the Soviet Union's own unworkable system of government and pattern of alliances.

What follows is an account of Eastern Europe's revolution that focuses on the crucial days and decisions that propelled it.

Like revolutions everywhere, this one was shaped by problems that had been accumulating for decades; but as the upheaval spread from Poland to Hungary and then exploded across the region, it passed a few turning points in which small groups of people — party politicians, dissident leaders, Soviet onlookers and a few common citizens — were compelled to make historic decisions.

Those decisions largely determined that the revolution of 1989 would be dominated by the ideals of pluralistic democracy and civil rights, a region-wide triumph for Western liberalism unknown even during Eastern Europe's brief, unstable freedom from foreign domination before World War II. They set opposition move-

See EAST, Page 5

Moscow Rushes Troops To Azerbaijani Capital After 30 Die in Clashes

By Michael Dobbs
Washington Post Service

MOSCOW — At least 30 persons were killed over the weekend in the warring southern Soviet republics of Azerbaijan and Armenia, and Interior Ministry troops were flown into the Azerbaijani capital on Sunday to try and restore order.

Armenian activists said there was heavy fighting in areas of Azerbaijan inhabited by Armenians. The official Soviet press agency Tass spoke of a night of "atrocities" in the Azerbaijani capital of Baku on Saturday but later said that the situation had been brought under control.

In an attempt to ease tension on both sides of the border, the Kremlin dispatched members of the ruling Politburo to Baku and Yerevan, the Armenian capital. Tass reported that several huge transport planes carrying Interior Ministry troops had been sent to Baku.

The latest flare-up in fighting between predominantly Muslim Azerbaijan and mainly Christian Armenia provides a dramatic illustration of the scale of the nationalist challenge facing Mikhail S. Gorbachev, who returned to Moscow on Saturday night from Lithuania.

Together with the neighboring Baltic republics of Latvia and Estonia, Lithuania is pushing ahead with a campaign to secede from the union and restore its independent statehood.

Tension has been building for many weeks in the southern Transcaucasian republics over the continuing political deadlock in the Nagorno-Karabakh Autonomous Region, a mountainous enclave in Azerbaijan with a mainly Armenian population of 160,000. The Armenian legislature recently angered Azerbaijan by adopting a law that treated Nagorno-Karabakh as part of Armenia.

Soviet television reported Sunday night that the killings in Baku began after two Azerbaijanis visited Armenian homes in the city to tell the Armenians to leave. One of the Azerbaijani activists was killed by an Armenian wielding an ax, and the other was wounded.

Journalists in Baku said armed gangs of Azerbaijanis had broken away from a rally organized by a citizens movement known as the Popular Front. At least 150,000 people attended the rally on Saturday.

The militants headed for the Armenian district of the town. There, according to Soviet television, they ransacked 53 apartments, killing 22 persons and seriously injuring 26.

Most Armenians fled from Baku following an attack in the nearby city of Sumgait in February 1988 in which 32 Armenians were killed. But at least 10,000 Armenians are still believed to live in the city.

An official at the Armenian information center in Yerevan, Alexander Arzumyanan, said that the focus of the fighting had now switched to a Azerbaijani region north of Nagorno-Karabakh. Bands of Azerbaijanis were attacking Armenian villages in the vicinity of the towns of Adzhikend and Hamlar, he said.

"A war has begun down there," Mr. Arzumyanan said. He said the fighting was "the most serious" since the start of the Nagorno-Karabakh dispute in early 1988. He also asserted that Azerbaijani militants had commandeered two armored personnel vehicles from the army.

Communications with the region were disrupted, which made it impossible to confirm conflicting assertions of Armenians and Azerbaijanis with independent sources. Radio reports in Moscow put the number of dead at more than 30.

About 300,000 people attended a rally in Yerevan on Sunday afternoon at which Nikolai N. Slyunkov, a Politburo member, and Ivan S. Silayev, a deputy prime minister, tried to explain what Moscow was doing to restore calm. The two were shouted down. During the rally, an

See BAKU, Page 10

Confrontation in Lithuania

Gorbachev Gains Respect but Fails to Win Converts

By David Remnick
Washington Post Service

VILNIUS, Lithuania — His face weary, his tone at once imploring and bitter, Mikhail S. Gorbachev won some respect but no converts in his three-day mission to Lithuania.

Despite his global triumphs, his attempts here to temper demands for independence were marked by frustration.

Mr. Gorbachev, who returned to Moscow on Saturday, promised a new form of union and hinted at the possibility of a multiparty system, but he discovered that the Lithuanians were generally unyielding in their quest for independence.

One of Mr. Gorbachev's key tactics was to make the Lithuanians feel what he called the "burden" of their choice, demanding they "think a thousand times" before making a move that he said would bring Lithuania to economic disaster and cost the entire union dearly.

But day after day it seemed that Mr. Gorbachev and the Lithuanians were talking past — not with — one another. Mr. Gorbachev and the Lithuanians are considered two of the most progressive forces in the increasingly broad range of Soviet politics, and yet their angles of vision are so at odds that they cannot readily agree.

Mr. Gorbachev, at 58, represents the generation influenced most deeply by the 20th Party Congress in 1956 at which Nikita S. Khrushchev dealt the first real blow to the Stalinist legacy with his "secret speech" on the "cult of personality."

NEWS ANALYSIS

"The children of the 20th Party Congress," as one documentary film here calls Mr. Gorbachev's generation, is tied to the notion that *perestroika* represents the "last chance", to reshape today's Soviet Union.

For all his radicalism, Mr. Gorbachev does not see the Soviet Union as an empire, a product of czarist and Communist conquest, but rather as a "multinational union." He focuses on "the current realities," the inexorable — and often forced — blending of ethnic minorities and the economic and political connections among the republics.

"I am looking ahead," he insisted here again and again. "You are looking to the past."

If Mr. Gorbachev does create the conditions that would give the Lithuanians the option to secede, it will probably be because he has decided that holding on has become politically too expensive.

With the Estonians, Latvians and other republican independence movements watching the Lithuanian question closely, however, that time is not likely to come soon. In Mr. Gorbachev's view, the Soviet Union cannot afford what one Politburo member, Alexander N. Yakovlev, recently called "a domino effect" of secessions.

Such is the position of a Kremlin progressive. The Lithuanians see history and politics in another way.

"It is very simple," said Vytautas Landsbergis, president of the powerful pro-independence movement Sajudis and a deputy in the Con-

See GORBACHEV, Page 10

Dollar Looks Ready for Rise Despite Stock Woes

By Carl Gewirtz
International Herald Tribune

PARIS — The dollar, which emerged unscathed from Friday's tumble on U.S. equities markets, is thought by analysts to have bottomed out against the Deutsche mark and could be poised for gains.

U.S. markets took fright Friday at the nightmarish prospect that the Federal Reserve Board would have to choose between averting recession or taming inflation. Prices of stocks and bonds plunged, but the dollar finished at 1.6870 DM and 145.675 yen, its highest levels of the week.

As for the U.S. stock market, which saw the Dow Jones industrial average plunge 71.46 points to close at 2,689.21 on Friday, Robert Stovall of Stovall/Twenty-First Advisers in New York characterized the fall as a correction and said more selling could follow. However, he said, "the market is short-term bearish, but still long-term bullish."

The U.S. currency got a boost late Friday, traders said, following a large order to buy dollars against marks. The trade created an impact because activity had already thinned before a long weekend — markets in Japan are closed Monday, as are some U.S. markets.

Nevertheless, the rebound from Friday's low of 1.6705 DM appeared to back the view of those analysts who say that at present levels against European currencies, the dollar looks attractively valued.

"The dollar is bottoming out for now," said Roland Scharff, treasurer at Hessische Landesbank in Frankfurt. "It's not going to get much cheaper" against the Deutsche mark or the currencies linked to it in the European Monetary System.

This view is confirmed by chartists such as Crane Investment Analysis in London, which reports that there is currently "no momentum to push the dollar down."

Underpinning these views is the assumption that the nightmare that shook markets on Friday is just that: the U.S. economic slowdown is currently at its low point and the economy is looking least attractive and most vulnerable. But analysts say things should soon start to look better.

John Lipsky, London-based analyst for Salomon Brothers Inc., reads the latest U.S. data — a small, 0.2 percent rise in December retail sales — as nothing more serious than confirmation that the U.S. economic slowdown probably hit bottom during the final quarter of the year. He expects coming months to show that the recent easing by the Fed has fueled a modest pickup.

The 0.7 percent increase in December's wholesale prices, he said, "is not suggestive of a broad-based resurgence of inflation." Excluding the numbers for fuel and food, both exaggerated by a cold winter, and the exceptionally large, 4.5 percent increase in tobacco prices, Mr. Lipsky estimates that core inflation is running at about an unchanged 4 percent.

But to still market fears about inflation, he expects the Fed to delay its next easing of interest rates — apparently confirmed late Friday, when the Fed entered the money market to signal its unwillingness to see rates slip.

"The Fed may be more reluctant to ease in the next weeks lest its move unsettle financial markets," Mr. Lipsky said. But he added that further modest easing is expected and that the delay in timing "is not likely to impact on the course of the economy."

While the U.S. economy is perceived to be at its nadir and soon to recover, activity in Europe is seen at its zenith and likely to slow.

"The dollar's recent sharp fall against EMS currencies is entirely consistent with the traditional influence of business cycle mismatch between the United States and Europe," said Brendan Brown, London-based economist for Mitsubishi Finance International. "When the U.S. economy is in a relatively weak phase of the business cycle, the dollar typically trends down against the mark."

By spring, however, Mr. Brown

See DOLLAR, Page 13

Kiosk

4 Nations Hone Anti-Drug Plan

SANTA CRUZ, Bolivia (AP) – The United States and the cocaine-producing countries of Colombia, Peru and Bolivia reached agreement Sunday on plans for a joint assault on narcotics trafficking.

The details of the plan are not to be made public until its scheduled signing Feb. 15 at a "drug summit" of the four nations in Colombia. Bolivia's foreign minister, Carlos Iturralde, sketched out the agreement in general terms.

MONDAY Q&A

Winston Lord, a former U.S. envoy to Beijing, assesses recent developments in China. Page 2.

General News
A discotheque fire in the old quarter of Zaragoza, Spain, killed 43 persons. Page 10.
Japan moves slowly in lifting sanctions imposed on China last year. Page 2.
Business/Finance
Industrial nations are beginning work on a bank to aid Eastern Europe. Page 11.
Crossword Page 10.

Vincent Yu/The Associated Press

HONG KONG SEEKS MORE DEMOCRACY — Demonstrators in Hong Kong waving banners Sunday as they call for a more democratic government to be set up in the colony before the transition to Chinese rule that is scheduled to occur in 1997. Page 2.

U.S. Awash in New Flood of Soviet Data

By Michael Wines
New York Times Service

WASHINGTON — After 40 years of foraging for bits of data on the Soviet Union and its allies, U.S. intelligence analysts are struggling to cope with a cascade of information, including Kremlin statistical reports, periodicals and word of mouth from foreign business travelers and military officers who can now visit once-forbidden reaches.

The ability to tap new veins of data has already prompted major changes in the way experts in the Pentagon, the State Department and intelligence agencies operate, officials said in interviews this month.

"It used to be that you'd go through reams and reams of stuff and just come up with dross," said a senior Bush administration official who is well-versed on the process. "Now there's so much gold that they could work round the clock."

The changes range from the greater use of computers and other advanced technology to simple efforts to break old mind-sets about the Communist system.

The sheer volume of publicly available data has led officials to use more "open-source" data, and less secretly gathered information.

Officials contend that their insights into Soviet society and politics were sharp even before the avalanche of information began in the mid-1980s.

"We did a pretty good job on groundwork studies that looked at the fundamental bankruptcy of the bureaucracy and the economy," Richard J. Kerr, the deputy director of central intelligence, said. "We've been writing about this in detail for 10 years, probably more."

But the consensus of government and private experts is that the Central Intelligence Agency and other agencies underestimated the Soviet Union's economic and social problems and failed to detect the potential for political upheaval in Eastern Europe.

Their hope is that the new data, combined with new methods of analysis, will produce a more sophisticated view of changes in Eastern Europe and how American leaders may deal with them.

A Defense Department official involved in the process likened the task to redrawing old maps.

"They had wonderful features and roads," he said. "We could change the roads from two lanes to four-lane highways, but they all ran in the same direction and went through the same

See DATA, Page 10

Moscow Reports Trial of a Spy

Senior Envoy Is Sentenced to Die for Working With CIA

Washington Post Service

MOSCOW — The Soviet Union has sentenced a senior diplomat to death for passing military secrets to U.S. intelligence agencies since 1961, according to a report published in Moscow on Sunday.

The report, in the Communist Party newspaper, Pravda, did not give the diplomat's precise position and identified him only as "Donald."

Pravda described the Soviet diplomat as a man inspired by "self-love," ideology and a passion for risk and who gave U.S. agents information on nuclear weapons doctrine, civil defense, chemical weapons defense and diplomatic codes.

Pravda said that the diplomat was one of the West's top 30 intelligence assets. He worked at the Soviet mission at the United Nations in New York and at Soviet Embassies in Burma and India.

The newspaper said that Soviet counterintelligence agencies had been watching Donald for years but that he avoided arrest until now.

"I was used to walking the knife's edge and could not imagine any other life for myself," he was reported as having told his interrogators. "I felt in my gut that the KGB was investigating me, but my own assessments of my actions eased my anxieties."

The article credits a KGB official, Colonel Alexander S. Dukhanin, with helping to track down Donald.

According to a Moscow prosecutor, Colonel Dukhanin intimidated witnesses and released a Moldavian party leader who apparently would have linked a Politburo member, Yegor K. Ligachev, to bribery and corruption scandals in the Uzbek Republic. The party has cleared Mr. Ligachev of any guilt in the corruption scandals.

The Pravda report described the diplomat as a well-educated daredevil who beamed secret radio transmissions from a Moscow trolley bus to the U.S. Embassy and communicated with his handlers through classified advertisements in The New York Times.

"With access to so many state secrets, Donald was dealing in everything that the U.S. intelligence services were interested in," Pravda said. "He had an excellent education as a teacher at one of the

See SPY, Page 10

U.S. Chip Consortium to Fold

By Evelyn Richards
Washington Post Service

WASHINGTON — U.S. Memories, the planned $1 billion cooperative venture aimed at reviving the American semiconductor industry, was unable to muster enough financing and will announce Monday that it is folding, according to industry sources.

Unveiled last summer, U.S. Memories was an ambitious attempt to blunt Japanese competition by pooling the resources of several U.S. firms to build a new company that would manufacture computer-memory chips.

But despite the interest of such initial backers as International Business Machines Corp. and Digital Equipment Corp., the venture failed to find enough companies willing to invest in it. U.S. Memories had hoped to raise $500 million from electronics firms and another $500 million from institutions.

Prospects for the venture dimmed recently, when computer companies including Apple Computer Inc. and Sun Microsystems decided not to participate. As buyers of the DRAMs, or dynamic random access memory chips, such companies were considered key to the venture's success.

> **'The bottom line is that the great memory glut is going to be a short-term phenomenon.'**
> **Kenneth Flamm, analyst, Brookings Institution.**

U.S. companies rely primarily on Japanese DRAM makers, who in 1988 controlled about 80 percent of the $6.4 billion market.

Some computer firms had indicated that they were not willing to risk expanding beyond their core businesses into making DRAMs, a risky and highly cyclical business. Lately, DRAMs have been in ample supply and prices have plummeted, thus removing the urgency for a new domestic source.

U.S. Memories supporters had warned, however, that companies rejecting the idea merely because of the current market glut were being short-sighted. "The bottom line is that the great memory glut is going to be a short-term phenomenon," said Brookings Institution analyst Kenneth Flamm.

U.S. Memories' chief Sanford

See CHIPS, Page 15

Ex-U.S. Envoy Sees Chinese Flexible on Cambodia

Winston Lord was U.S. ambassador to China from 1985 until April 1989. On Sunday, at the end of a foreign policy conference in Chiang Mai, Thailand, he discussed China's impact on Asia and the Pacific with Michael Richardson of the International Herald Tribune.

Q. China and the other four permanent members of the United Nations Security Council will meet in Paris on Monday and Tuesday to discuss a possible solution to the Cambodian conflict. How can Beijing be persuaded to loosen its links with Khmer Rouge guerrillas and instead support a UN interim administration in Cambodia and free elections that the Khmer Rouge would certainly lose?

A. The prime objective of the Chinese in Indochina is to prevent Vietnamese domination. If they see that there will be a genuinely neutral Cambodia headed, for example, by Prince Sihanouk as a result of elections, I believe they would settle for that and be willing to help control the Khmer Rouge.

China wants an effective buffer zone in Cambodia. It wants to improve ties with regional countries that are encouraging Beijing to control the Khmer Rouge. That combination could bring the Chinese around.

Q. How much damage have political repression and the slowing of economic reforms in China done to its relations with Hong Kong, Taiwan and the rest of Asia?

A. Huge damage. There has been a dramatic and traumatic impact on Hong Kong caused by the democracy demonstrations in China last spring, the suppression since June and a toughening of Beijing's posture toward Hong Kong. China has recently shown that it is more interested in control of Hong Kong than in sustaining confidence and avoiding damage to the future prosperity of the territory.

MONDAY Q&A

●

Q. Why should the United States place concern about human-rights abuses in China ahead of maintaining Chinese cooperation on important regional and strategic matters?

A. The two are not mutually exclusive. Dialogue and consultations through our ambassadors and at international forums with higher-level officials should be sufficient to maintain our international interests even as we register our revulsion at what has happened.

We have to avoid the terrible symbolism of high-profile, high-level visits, with inappropriate tone and toasts, that occurred when the Scowcroft mission went to Beijing last month.

Q. What have been the consequences of that mission led by President George Bush's national security adviser, Brent Scowcroft?

A. We still have to see how the situation plays out. But so far, it has strengthened the hands of hard-liners in the Chinese regime by suggesting that it is business-as-usual with the United States.

This is encouraging other countries like Japan to relax their stance versus China. It has certainly discouraged moderates in China, both in and out of government. It has angered and dismayed Chinese living abroad. It has also stirred up passionate and damaging debate in the United States about China policy for the first time in 20 years.

●

Q. Was the lifting of martial law in Beijing last week a substantial concession?

A. In principle, it is good to have martial law lifted. But I see no proof yet that it will in any way ease repression in China or the barriers that have been set up to prevent contacts between Chinese and foreigners.

Q. Now that relations between Washington and Moscow are much better, is the U.S.-China strategic relationship as important as before?

A. Rather than being a de facto partnership between the United States and China, together with other countries like Japan, against an adventurous Soviet Union in the 1970s and early 1980s, the strategic importance of our relations with China today have more to do with maintaining a multipolar balance in Asia and the world to ensure that no one nation dominates.

Q. What is the outlook for China?

A. In the short term rather bleak, both in economic and political terms. But once some of the key leaders, who are elderly, go, there will be a succession struggle. I am optimistic that within a few years, we will see a more moderate, progressive regime in Beijing that will resume progress on economic reforms, ease political controls, open China up again and be a more constructive partner in the world community. This will make it possible for the United States to resume full cooperation with China.

●

Q. Will changes in the Soviet Union and Eastern Europe strengthen the reformist movement in China?

A. Yes. The hard-line Chinese leaders have obviously become very nervous as one Communist regime after another has fallen. The Chinese people have the same aspirations as East Europeans.

Of course, there are different cultural, historical and economic conditions. China will have to find its own way. It will not be a replica of Western models. But clearly there has to be greater political pluralism and freedom in China.

Japan Moves Slowly on Resuming China Aid

By Steven R. Weisman
New York Times Service

TOKYO — Despite the lifting of martial law in Beijing last week, government officials say Japan is not prepared to resume talks on arranging $5.6 billion in loans suspended after the crackdown in Tiananmen Square in June.

Sounding a cautionary note, Japanese businessmen who welcomed the suspension of martial law also said that they would be slow to restore a high level of investment activity in China because of concerns about the country's political stability.

As China's biggest economic-assistance donor, Japan in recent months has frequently reminded the United States and other countries that it was not in their interest to impose heavy sanctions against Beijing.

At a New Year's news conference, for instance, Prime Minister Toshiki Kaifu reiterated Japan's position that sanctions would only reinforce a feeling of defensiveness in China, perhaps driving it into the Soviet Union's camp or making it dangerously mistrustful of other countries in Asia.

"To isolate China will not be good for world peace and stability," Mr. Kaifu said.

Apparently mindful of public outrage over the crackdown last year, he said he hoped that China would "carry out the consolidation of its environment in a way easily understandable to the West."

Mr. Kaifu said that Japan intended to renew the aid frozen after the repressive measures by Beijing last year, but that talks on the matter would probably not occur until the spring.

Japanese officials said they still intended to send back to China a man charged with hijacking an Air China plane on Dec. 16 and forcing it to fly to Fukuoka, in the southern part of Japan.

The centerpiece of Japanese aid to China was a $3.3 billion loan program.

Future aid for China, including a $5.6 billion program announced in 1988, remains suspended. That program is scheduled to run from 1990 to 1995.

In the last week, Japan has announced that it would step up discussions of general economic matters with China by sending a high-level aid official to Beijing after the visit here this month of the head of the Chinese State Planning Commission, Zou Jiahua.

Mr. Kaifu also has decided to send Koichiro Matsuura, director general of the Foreign Ministry's Economic Cooperation Bureau, to Beijing this week.

But a Foreign Ministry spokesman said those talks would not necessarily lead to a resumption of aid. Officials wanted to learn more about Chinese plans.

■ Moscow Denies Split

The Soviet deputy foreign minister, Igor A. Rogachev, denied Saturday any ideological split between Moscow and Beijing and said he expected high-level meetings in the near future, including a visit to the Soviet Union by Prime Minister Li Peng, Reuters reported from London.

In an interview broadcast on Moscow Radio, monitored by the BBC, Mr. Rogachev said: "There can be differing interpretations even in the very best families and amongst the very best neighbors, and there is nothing terrible in that. We are convinced that there are no reasons at all for complications in the onward development of Soviet-Chinese cooperation."

WORLD BRIEFS

British Soldiers, Out of Uniform, Kill 3 in Alleged Robbery in Belfast

BELFAST (AP) — British soldiers in civilian clothes have shot to death three men who allegedly were holding up a betting shop in West Belfast, the police said. They later said the alleged robbers had been carrying very realistic fake guns.

A fourth man, apparently a passer-by, was wounded by gunfire, the Royal Ulster Constabulary said. The police did not immediately identify the dead men, but Sinn Fein, the legal political wing of the Irish Republican Army, said the names they had been given by local people were of men "with a long track record of this sort of thing."

Sinn Fein denied that any of the dead were members of the IRA, although the president of the group, Gerry Adams, accused the security forces of "the cold-blooded and savage murder of three young men." He made the accusation before it was reported that the guns were not real.

The authorities said two soldiers who were on duty but not in uniform interrupted a robbery on Saturday. "Shots were fired, and three persons were killed — one man in a car and the others, both of whom had been hooded, outside a stolen vehicle," police said.

Kaifu in Warsaw Economic Aid Talks

WARSAW (AP) — Prime Minister Toshiki Kaifu of Japan told the Solidarity-led government on Sunday that his government would consider providing credit guarantees worth up to $850 million to aid Poland's transition to a market economy.

Japan and Poland also signed a previously announced agreement to provide a $150 million credit to a stabilization fund to back the Polish currency, the zloty, in its transition to a convertible currency.

The signing ceremonies were on the first day of Mr. Kaifu's two-day visit, which also included a meeting and dinner with Lech Walesa, the Solidarity leader. The Japanese leader arrived from Rome on the seventh day of a 10-day tour of Europe, which will take him to seven countries.

100 Missing as Dhaka Ferry Sinks

DHAKA, Bangladesh (AP) — A ferry carrying about 150 people sank Sunday night in a river outside Dhaka, and only about 50 passengers were reported to have swum to shore, police said.

Darkness prevented any rescue efforts, and by midnight no bodies had been recovered, police said.

The ferry went down in the Dhaleswari River near Mushiganj town, 20 miles (32 kilometers) southeast of Dhaka, the Bangladesh capital.

Increased Risk for Women Over 55

SAN ANTONIO, Texas (Reuters) — Among people aged 55 to 74, more women than men have high cholesterol levels that increase the risk of heart disease, the American Heart Association said Sunday.

"A surprisingly high number of women in all age groups have been found to have elevated serum cholesterol," the association said in its annual report on heart disease and stroke. Between the ages of 25 and 44, more men than women have high cholesterol levels, but the trend is reversed in both younger and older age groups, the group said.

The risk of heart attacks and strokes is at its highest for both sexes between the ages of 65 and 74, the association said. According to the U.S. National Institute of Health, middle-aged people who have cholesterol levels above 200 milligrams have a high risk of heart disease. The association's report said death rates from heart disease have declined in recent years due to medical advances and healthier life styles.

23 Die in Crash of Soviet Airliner

MOSCOW (AP) — A Soviet airliner with an engine aflame crashed while attempting an emergency landing on a field in the Ural Mountains, killing 23 persons and injuring 30, the Tass press agency reported.

The Tupolev-134 jet, carrying 64 passengers and six crew members, was flying Saturday from the Siberian oil center of Tyumen to Volgograd via the Urals, Tass said. An engine caught fire, and the jet crashed while the crew was trying to land at a farm about 30 miles (50 kilometers) from the industrial city of Sverdlovsk.

Eritrean Rebels 'Regret' Ship Attacks

NAIROBI (Reuters) — The rebel Eritrean People's Liberation Front said it had taken action against foreign cargo ships in the Red Sea and apologized for the "attacks and consequent dangers." A statement by the front issued in London on Saturday said the rebels were trying to block fresh arms deliveries to the Soviet-backed government in Ethiopia.

Two Polish cargo vessels were attacked near the Ethiopian port of Massawa early this month and a Yugoslav freighter was intercepted in the area Wednesday.

TRAVEL UPDATE

Mixed Results for U.S. Airlines in '89

WASHINGTON (Reuters) — U.S. scheduled airlines have reported record levels of passenger miles, air cargo and employment in 1989, according to the Air Transport Association. But the total number of passengers and profits for 1989 through September, were down, the trade group said in a year-end review.

Passenger miles rose by 2 percent to 430 billion miles (695 billion kilometers), cargo freight was up 7 percent during the first 11 months of 1989 to 9.2 billion tons, and employment rose by about 2 percent to 490,000 workers, the review showed. But the group said that the airlines carried about 453 million passengers, down from 455 million in 1988.

North and South Yemen plan to merge their airlines to form a fleet of 12 planes, according to an official North Yemeni newspaper. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Guam, Japan, Puerto Rico, United States *(except nine states)*.
TUESDAY: Benin.
THURSDAY: Tunisia.
FRIDAY: Ethiopia.
SATURDAY: Guinea Bissau, Lesotho, Mali.
SUNDAY: Barbados, Dominican Republic.

Source: Morgan Guaranty Trust Co., Reuters.

U.S. Opens Review of Afghan Role

By Robert Pear
New York Times Service

WASHINGTON — President George Bush has sent a delegation of American officials to South Asia to accelerate efforts to find a negotiated settlement of the war in Afghanistan.

Nearly a year after Soviet troops withdrew from Afghanistan, the U.S. administration finds itself stuck with an unsuccessful policy for trying to establish a nonaligned, noncommunist government in Kabul.

The Afghan guerrillas, armed by the United States, seem no closer to a military victory now than in February 1989, when the Soviet Union completed the withdrawal of its troops from Afghanistan.

The mission to South Asia, led by Robert M. Kimmitt, the No. 3 official at the State Department, will make the most comprehensive assessment of American policy toward Afghanistan since President Bush took office.

Mr. Kimmitt's mission, while unlikely to produce a reversal of American policy, may provide fresh insights and impetus for a diplomatic initiative by Secretary of State James A. Baker 3d, who is scheduled to visit Moscow early next month.

Mr. Kimmitt will meet in Pakistan with Afghan guerrilla leaders and Pakistani officials.

He also plans to visit Saudi Arabia, which helps finance some Afghan guerrilla groups.

Margaret D. Tutwiler, the State Department spokesman, said the trip did not signal a change in American policy toward Afghanistan. But clearly American officials are analyzing all possible options.

Among the policy options are a larger role for the United Nations, simultaneous termination of arms deliveries by both Moscow and Washington, and the creation of a coalition government including Afghan guerrillas and some Communists not closely identified with the current government.

Another option is to ask the exiled king, Mohammed Zahir Shah, to return to Afghanistan and help unify the country.

The United States insists that Major General Najib resign as Afghan president as part of any political settlement.

But the Soviets refuse to abandon him and note that he has shown much more staying power than Washington expected.

Catherine Henriette/Agence France-Presse

A Beijing policeman handing leaflets to passers-by on Sunday in a campaign aimed at winning support for the government.

In China, Self-Reproach Over Romania

By Nicholas D. Kristof
New York Times Service

BEIJING — The success of the popular rebellion in Romania seems to have accentuated the mood of self-reproach here.

Young Chinese intellectuals wonder aloud why the Romanians persevered, even in the face of gunfire, to overthrow the government, while last June the Chinese protesters eventually retreated after being bloodily put down.

"Some people are saying that Chinese just aren't made of the same stuff as the Romanians," a university professor commented bleakly the other day.

A government official added, in the same despairing tone: "Chinese aren't like the Romanians. We aren't willing to fight for an ideal."

Such attitudes, which neglect the courage in the face of gunfire that many Chinese showed in June, and the risk of jail and disgrace that they braved, are the latest manifestation of the self-reproach that has periodically swept Chinese intellectual circles in the last 100 years.

The cultural gloom has been fueled in recent years by such books as "The Ugly Chinaman" and the television series "River Elegy," both of which mock the history and traditions that most Chinese have been taught to revere.

In an unlikely show of support for the feudalist past, the Communist Party has vigorously denounced this pessimism and has hailed the glories of Chinese civilization.

One consequence of this despair has been a fervent search by young Chinese for a way to get abroad.

In the early 1950s, many young intellectuals gave up jobs in the United States to return and build a "new China."

Now, especially among university-educated Chinese, the talk frequently is of how to emigrate.

Some private business people are asking about emigrating to countries like Belize and Panama in the hope that they can later move to the United States or Canada. Others are hoping to marry an American.

"Do you know anyone who is looking for a Chinese wife?" one woman asked an American friend.

And students at Beijing's universities have a new slang description for an American boyfriend or girlfriend: "Airplane tickets."

When knowledgeable Chinese or foreign diplomats are asked to name the most powerful people in China, three names usually come up: Deng Xiaoping, Yang Shangkun and Chen Yun.

Mr. Deng, 85, has officially retired but unofficially remains paramount leader.

Mr. Yang, 82, holds the ceremonial post of president but derives power from his hold over the army.

Mr. Chen, 84, is China's leading economics expert and patron of the nation's central planners.

Their continued domination of China is embarrassing for the party in two respects.

First, after a decade in which transition to younger leaders was a constant theme, the nation remains ruled by a triumvirate whose average age exceeds that of Mao Zedong at the time of his death at 82.

Second, the party has stressed the need for rule by law and institutions, yet none of the three relies for power on any formal position.

Indeed, these days none is even a member of the Communist Party Central Committee.

"It's just like the end of the Qing Dynasty, when Empress Dowager Ci Xi ruled from behind the screen," a professor complained.

Empress Ci Xi, who is widely reviled, monopolized power and even imprisoned the emperor in 1898 when he ordered a series of sweeping changes in the Chinese government.

Mr. Deng, Mr. Yang and Mr. Chen face daunting challenges: widespread popular opposition, passive resistance within the party, a troubled economy and hostility abroad.

But perhaps the most difficult challenge comes from the actuarial tables, and it is this knowledge of their age and mortality that keeps hopes up among young dissidents.

Indeed, because there are different views among these three men, a pivotal question being asked these days is not "When will they die?" but "In what order will they die?"

Some foreign diplomats believe that the order in which they die will be crucial to future policy, because as each dies his protégés will lose influence. The longest-lived will be the victor, this scenario says.

Talks With China Must Go On, U.K. Says

United Press International

HONG KONG — Foreign Secretary Douglas Hurd of Britain said Sunday that talks with China on the return of Hong Kong to Beijing's rule must continue despite differences between them.

"Relations are not always easy between Britain and China," Mr. Hurd said. "But we have to continue a discussion, a dialogue, with them, particularly on matters relating to the Joint Declaration" signed by China and Britain on Hong Kong in 1984.

But he ruled out a Chinese veto on affairs in Hong Kong before the handing over of the colony to Beijing in 1997, saying the final decisions in such matters resided with Britain and the colony's government. Beijing has pledged to let Hong Kong keep its capitalist system for 50 years after 1997.

Threatened mass demonstrations against Mr. Hurd's visit Sunday failed to materialize, but about 200 people marched to Government House, the governor's residence, to present a petition calling for faster democratic reforms before 1997.

Mr. Hurd, Sir Alan Donald, the British ambassador to China, Sir David Wilson, Hong Kong's governor, and other officials went Sunday to the governor's weekend home at Fanling, to discuss the next steps.

"Before 1991, we in the British government and the government of Hong Kong have to make the decisions," Mr. Hurd said. "Of course it is being discussed with the Chinese but," he added, "it is a decision for 1991, which is for the British and Hong Kong governments to make. We will make that within a matter of weeks, I hope."

Belgrade Bans Group In Serbia

The Associated Press

BELGRADE — Communist authorities have banned a new, Serbian independent political group and denounced its program as nationalist, according to the Tanjug news agency.

The chairman of the group, Mirko Jovic, was briefly detained Friday in Nova Pazova, 30 kilometers (18 miles) northwest of Belgrade, and its leaders were harassed by police, officials of the group said.

The authorities said that they banned the group because it "abused the constitutionally guaranteed freedom of association," fomented nationalist hatred and intolerance and called for the toppling of the foundations of the Communist system.

The officials of the group said a week ago that they were planning to formally constitute themselves on Jan. 27 as a Party of Serbian National Renewal.

A member of the group and a prominent Serbian writer, Vuk Draskovic, said Friday that he and Mr. Jovic had received threats after they announced their plans to form a party.

And the Yugoslav state-run media have launched a campaign against the group, accusing it of advocating nationalism and bloodshed with other nationalities.

Even though Yugoslavia has not adopted a law allowing independent political groups and parties to form, many groups have mushroomed in the past few months.

Albania Denies Yugoslav 'Slanders'

Reuters

VIENNA — An Albanian Communist leader has spoken out for the first time on reports of unrest in Eastern Europe's last outpost of Stalinism, dismissing them as Yugoslav-inspired slanders.

The secretary of the Communist Party Central Committee, Foto Cami, said on Albanian television and radio that Serbian nationalists in Yugoslavia were responsible for the reports.

"The aim is clear," he said. "They wish that what has occurred in the countries of the East to happen in Albania too."

Asked by an interviewer how he assessed the reports, he replied: "I cannot find a better word than slanders."

Reports of unrest and heavier security in Albania surfaced last week in Greece and Yugoslavia, but Eastern and Western diplomats in the Albanian capital, Tirana, have said life is calm and normal.

Albania, which remains faithful to hard-line Stalinist communism, marked the 44th anniversary of the founding of the republic on Thursday.

The Communist Party daily Zeri i Popullit, which earlier had accused Albanian exiles of trying to foment an uprising to restore the monarchy, said in an editorial on the anniversary, "The prescriptions of the capitalist road, of perestroika and bourgeois reformism are unacceptable to our people and party."

Prince Leka, the exiled claimant to the throne, has left his home in South Africa, saying he will visit Albanians in Europe and the United States to organize an uprising against the Tirana government.

The Belgrade daily Politika reported on Thursday that a state of emergency had been declared in the northwest Albanian city of Shkoder and that security had been increased around the residences of Albanian leaders in Tirana.

The Yugoslav news agency Tanjug said Friday that security measures amounting to a state of emergency had been imposed but later appeared to back away from the report. On Saturday, Tanjug quoted truck drivers arriving from Albania as saying that everything there was normal.

WEATHER

EUROPE	HIGH °C	HIGH °F	LOW °C	LOW °F	
Amsterdam	7	45	1	34	fr
Athens	14	57	7	45	sh
Barcelona	12	54	5	41	c
Belgrade	9	48	2	36	sw
Berlin	8	46	1	34	fr
Brussels	8	46	2	36	fr
Budapest	9	48	2	36	fr
Copenhagen	4	39	0	32	sn
Costa Del Sol	16	61	7	45	fr
Dublin	10	50	7	45	r
Edinburgh	10	50	7	45	r
Faro	16	61	7	45	fr
Florence	4	39	1	34	fr
Frankfurt	8	46	2	36	fr
Geneva	8	46	1	34	fr
Helsinki	-12	10	-15	5	sn
Las Palmas	19	66	14	57	fr
Lisbon	15	59	4	39	fr
London	9	48	4	39	r
Luxembourg	7	45	0	32	fr
Madrid	9	48	0	32	fr
Milan	5	41	-1	30	fr
Moscow	-10	14	-15	5	sn
Munich	1	34	-1	30	fr
Nice	13	55	8	46	fr
Oslo	2	36	-2	28	fr
Paris	8	46	3	37	fr
Prague	3	37	-1	30	fr
Reykjavik	1	34	-1	30	sn
Rome	11	52	7	45	sh
Stockholm	-1	30	-2	28	sn
Strasbourg	3	37	-2	28	fr
Vienna	8	46	0	32	fr
Warsaw	-1	30	-3	27	sn
Zurich	3	37	1	34	fr
MIDDLE EAST					
Ankara	2	36	-3	27	fr
Cairo	17	63	11	52	pc
Istanbul	7	45	3	37	r
Jerusalem	10	50	4	39	sh
Tel Aviv	18	64	9	48	sh
OCEANIA					
Auckland	—	—	—	—	—
Sydney	25	77	20	68	c

ASIA	HIGH °C	HIGH °F	LOW °C	LOW °F	
Bangkok	33	91	25	77	sh
Beijing	0	32	-8	18	sn
Hong Kong	18	64	16	61	sh
Manila	31	88	24	75	sh
New Delhi	24	75	11	52	fr
Seoul	1	34	-6	21	sn
Shanghai	7	45	3	37	r
Singapore	28	82	24	73	sh
Taipei	22	72	15	59	r
Tokyo	6	43	-2	36	fr
AFRICA					
Algiers	14	57	10	50	c
Cape Town	23	73	10	46	fr
Casablanca	17	63	9	48	cl
Harare	24	75	12	53	r
Lagos	31	88	25	79	sh
Nairobi	25	77	13	55	fr
Tunis	13	59	11	52	r
LATIN AMERICA					
Buenos Aires	30	86	22	72	fr
Lima	23	73	19	66	fr
Mexico City	18	64	5	41	cl
Rio de Janeiro	32	90	24	75	fr
NORTH AMERICA					
Anchorage	0	32	-12	10	pc
Atlanta	12	54	3	37	fr
Boston	4	39	-1	30	fr
Chicago	3	37	-4	25	pc
Denver	13	55	-3	27	pc
Detroit	-3	27	-10	14	pc
Honolulu	28	82	21	70	pc
Houston	12	54	10	50	pc
Los Angeles	17	63	9	48	sh
Miami	21	70	16	61	fr
Minneapolis	-1	30	-10	14	pc
Montreal	-10	14	-12	9	pc
Nassau	27	81	20	68	pc
New York	7	36	-2	28	fr
Phoenix	19	66	9	48	sh
San Francisco	14	57	6	43	cl
Seattle	9	48	2	36	cl
Toronto	1	34	-3	27	fr
Washington	7	45	1	34	r

cl-cloudy; fr-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-storms.

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Rain. Temp. 5 — 2 (41 — 36). LONDON: Rain. Temp. 12 — 6 (54 — 43). MADRID: Fair. Temps. 10 — 1 (50 — 30). MILAN: Fair. Temps. 11 — 2 (52 — 36). NICE: Fair. Temps. 16 — 9 (61 — 48). PARIS: Rain. Temps. 10 — 3 (50 — 37). ROME: Fair. Temps. 11 — 2 (52 — 36). TEL AVIV: Not available. ZURICH: Foggy. Temps. 6 (43 — 36). ASIA: BANGKOK: Partly cloudy. Temps 33 — 25 (91 — 77). HONG KONG: Not available. MANILA: Fair. Temps. 31 — 21 (88 — 70). SEOUL: Cloudy. Temps. 2 — 4 (36 — 25). SINGAPORE: Showers. Temps. 31 — 24 (88 — 75). TOKYO: Fair. Temps. 7 — 2 (45 — 36).

RHYTHM with BLUES
Alexander Julian handmade blazers
ALEXANDER JULIAN
Designs for the Uppper Man

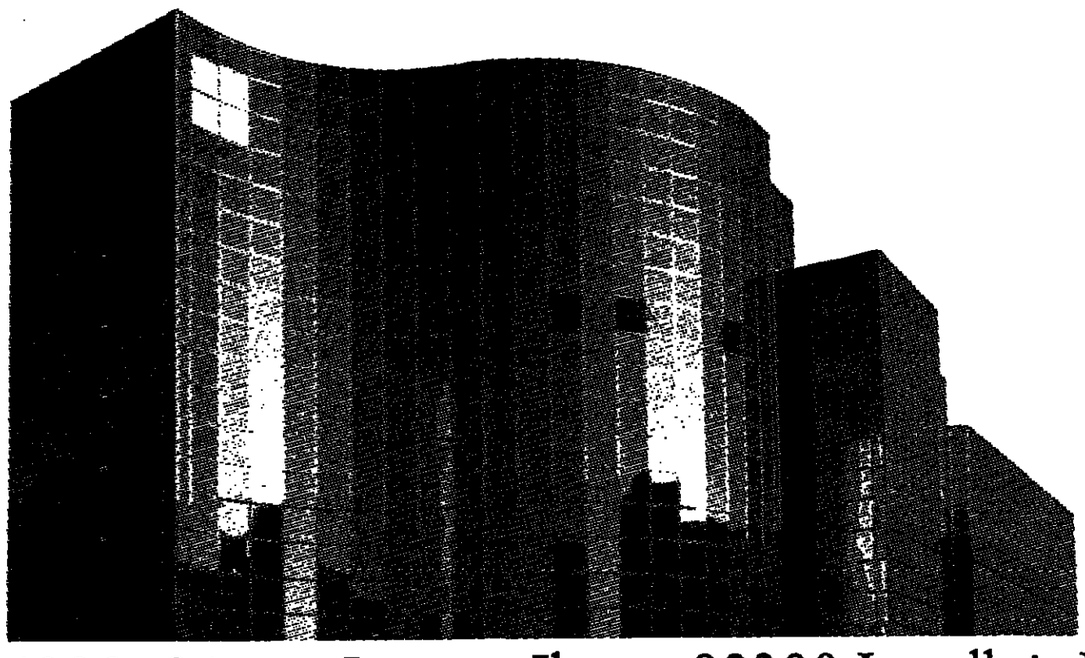
Voluntary sale of attached estate by ordinary auction at the Notary Office of NIORT, 32, rue des Trois-Coigneaux, Friday, January 19, 1990 at 2:30 p.m.
PROPERTY - Commune of COURS
(79 Deux-Sevres) - Hamlet "La Petite Grue"
7 rooms, 2 bathrooms, 175.25 sq.m. living space, 38 sq.m. living room with beautiful fireplace). Extensive outbuildings (possible conversion to country home). Partly wooded grounds (2 ha 94 a 11 ca) with stream running through.
Possibility of building a pond (existing spring)
OPENING BID: 500,000 Francs.
To visit or have further information on the property, contact Mme. BIHEL, tel.: (16) 49.25.60.11. For information on buying, contact Me MAIL-FOUILLEUF, Lawyer, 3 r. Viala, 79000 Niort. Tel.: (16) 40.24.40.65.

International Herald Tribune
Published With The New York Times and The Washington Post
日本印刷実施
Now Printed in Tokyo For Same-Day Delivery to Most Homes & Offices in Japan
To subscribe call our Tokyo office
(03) 201 0205
Or write: TJM, 2F. Mainichi Newspaper, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
Pacific Western University
(213) 471-0306
FAX: (213) 471-6456
Pacific Western University

هكذا من الاصل

One look at our new headquarters and you will immediately understand why we are the n°1 business real estate consultant in France.



From January 15, 1990 : 24, rue Jacques-Ibert - 92300 Levallois-Perret - France
Tel : (33) (1) 47 59 20 00 - Fax : (33) (1) 47 59 22 69 - Telex F 616169

January 15, 1990. That is the date when AUGUSTE-THOUARD, France's leading business real estate consultant with 25 local branches all over the country and a staff of over 500, will be moving to its new headquarters. This modern building comprising eleven thousand square meters is not just a pretty face – it will be providing all the latest technical features which confer the status of a "smart" building. A new base designed to bring out the very best of the highly talented staff.

AUGUSTE ◆ THOUARD

FRANCE'S LEADING BUSINESS REAL ESTATE CONSULTANT.

TURNING POINTS: A chance remark in Warsaw and a risky decision in Budapest ignited a revolution in Eastern Europe.

Jubilant East Germans flooding into the West at Potsdam after the borders were opened in November, and in Bucharest a soldier and a civilian showing fur coats from a villa of Nicolae Ceausescu, the Romanian leader, and his wife, Elena, who were executed in December.

Poland: 'Free Elections,' the Irretrievable Words

Washington Post Service

WARSAW — On the cold, gray morning of March 2, 1989, Poland's Solidarity leader, Lech Walesa, and 10 of his closest advisers filed into the conference room of a *two-story government villa* in the village of Magdalenka, near Warsaw.

There was fine food and drink to be had, but Mr. Walesa and his *companions* had little to look forward to. General Czeslaw Kiszczak, the Communist internal affairs minister who had been the jailer of Solidarity in the early 1980s, had summoned the union leadership for an urgent meeting.

The roundtable talks between Solidarity and the government of President Wojciech Jaruzelski, which had convened daily for nearly a month in central Warsaw, were not going well.

The party leadership's strategy was to persuade Solidarity, which had boycotted previous elections, to participate in a restructured political system in which a powerful *president — presumably General* Jaruzelski — would preside over a legislature divided into blocs of 65 percent for the Communist-led alliance and 35 percent for the opposition.

Solidarity, recognizing the token nature of its proposed presence in the parliament, was resisting the deal.

General Kiszczak, hoping that a special bargaining session would break the impasse, offered a new proposal.

He said that to balance the new presidency, a second house of the parliament could be added to the existing Sejm. Its membership, the minister said, could be made up from several existing organs, such as the lay council advising Cardinal *Jozef Glemp, the Roman Catholic* primate of Poland, and the "consultative council" of General Jaruzelski, which included a few intellectuals sympathetic to the opposition.

His concession to Solidarity drew a quick response: hoots and jeers from the veteran dissidents and workers' leaders seated at the conference table around Mr. Walesa.

When the commotion died down, Bronislaw Geremek, a historian and senior adviser to Solidarity, responded, "You can violate democracy once, but not three times."

By his count, the Communists were trying to prearrange the election of two parliamentary chambers as well as the presidency.

The discussion seemed to be going nowhere, and then Alexander Kwasniewski, *a newcomer to the* Communist leadership who was serving as the government's liaison to labor unions, blurted out an answer to Mr. Geremek.

"What about this concept?" he said, according to accounts by the two men. "Let's have free elections to the upper chamber."

General Kiszczak confronted Mr. Geremek: "So how many times, professor, do you think democracy would be violated then?"

Mr. Geremek grimaced. "This," he answered carefully, "would be very interesting."

With that exchange, the leadership lost control of the roundtable talks and triggered a process that would end, six months later, in the first major event in Eastern Europe's revolutions: *the formation* in Warsaw of a predominantly non-Communist government.

Until that meeting at the Magdalenka villa, General Jaruzelski's strategy had hinged on his ability to control liberalization by dictating it from above, with each new step offered like a gift from the Communist leadership. Now, the party was allowing the Polish people the chance to vote in a free election whose outcome would be *outside the party's control.*

From the Communists' point of view, it was a grievous political error. Even before that day's meeting broke up, General Kiszczak informed the Solidarity delegation that Mr. Kwasniewski had not been speaking for the party leadership and had made only "a very individual proposal."

Yet, once the words "free elections" were out, Solidarity seized on them, and after a month of haggling, General Kiszczak signed the party's agreement.

It is still not entirely clear why Mr. Kwasniewski made his revolutionary proposal. In an interview, the outspoken Communist said that he had not planned to use the

> **'You can violate democracy once, but not three times.'**
>
> **Bronislaw Geremek, an adviser to Solidarity**

words "free elections," *but that* they had just popped into his head.

Mr. Geremek, however, said he did not believe the proposal was spontaneous. Mr. Kwasniewski, he pointed out, belonged to a liberal group within the Communist leadership, and his remark may have been calculated to put pressure on Politburo hard-liners.

In any case, the Communists had been cornered: Solidarity would not agree to the brokered Sejm and *Communist president without the* free elections to the new Senate.

General Jaruzelski, who had staked his own political fortunes on the roundtable talks, could not afford not to make a deal with the union. At the same time, the party leadership was lulled into acquiescence by a *series of stunning* miscalculations about the likely outcome of the balloting.

The party strategists knew they would lose a free vote, but they thought *they* could offset this by forcing Solidarity to agree that the new Senate would have only limited power. Even if the opposition held a big majority in the chamber, the Communists reasoned, they would be unable to do much.

The party negotiators also insisted on *organizing the Senate* elections by district, so that each of Poland's 49 provinces elected two senators. Since Solidarity had little formal organization outside the big cities, the Communists figured they could win many seats in rural areas, where the union would have little chance of organizing in the two months before the vote.

Finally, the party leadership relied on its polls. For years, the results of confidential public opinion surveys had shown that only a small minority of Poles declared themselves to be supporters of Solidarity or of the government, while a large number defined themselves as "independents." In an open election, officials reasoned, Solidarity's candidates would likely be defeated by non-Communist activists claiming to represent this middle ground.

When elections were held on June 4, the party's calculations proved ludicrously shortsighted.

Within days of the roundtable agreement, a nationwide network of activists backed by the powerful Roman Catholic Church had sprung up to support Solidarity's campaign. Voters, eager to express their contempt for the Communists and confused by the large number of "independent" candidates, *massively adopted the one surefire way* of avoiding a mistake: They crossed every name off their ballots except those endorsed by Mr. Walesa on the posters and handbills Solidarity distributed at polling stations.

The result was a catastrophe for the party practically *unparalleled* in the annals of elections. Not only did Solidarity win 99 of 100 seats in the Senate, but a host of senior official candidates running uncontested for "safe" *Sejm seats were* rejected because they failed to receive 50 percent of the valid votes.

Here, the party had made one last error, clinging to the past convention of a "national list" of top officials even though the election's new format created the risk that *voters would respond by crossing* them out, which they did. In some races, party candidates received less than 5 percent *of the total vote.*

Just as they had planned, the *Communist alliance retained for*mal control over the parliament in spite of the election results. But what the party failed to anticipate was that the outcome would decisively change the political balance of power. After such a devastating rejection by Poles, the Communists *were in practice unable to form a* government. Fearful of ignoring the popular will and eager to preserve their own electoral prospects, the Communists' official allies in the United Peasants' Party and the Democratic Party deserted, agreeing in late August to support a government led by Solidarity.

At this point, hard-line resistance by the Communists still could have caused the political process to break down, preventing a peaceful transition of power.

But Mikhail S. Gorbachev, the Soviet leader, made his most decisive intervention, devoting a 40-minute telephone call on Aug. 22 to urging the Communist leadership to join the Solidarity-led government in the interest of national unity.

Mr. Kwasniewski, who was overwhelmingly defeated in his own race for the Senate, ended up becoming chairman of a minor government committee for sports and education. Yet, as he looks back on what happened, he is a little proud.

"You can imagine how much grief I had to take from them," he said, "but *I don't regret it.*"

"It was good that it happened," Mr. Kwasniewski added, in view of the revolutions that followed in the rest of Eastern Europe. "Now we do not need to have an inferiority complex vis-à-vis the others. Because we had our real free elections much earlier on.

"The time for doing things like this had come anyway."

—JACKSON DIEHL

Hungary: A Sleepless Decision

Foreign Minister Paced the Floor, Then Broke a Treaty

By Blaine Harden
Washington Post Service

BUDAPEST — The foreign minister stayed up all night. He paced the floor of his living room until dawn, stopping only to scribble notes. Gyula Horn turned over and over in his mind what might happen if he were to break the rules that made Hungary a holding pen for East Germans on the run.

It was the night of Aug. 22, 1989, and the Hungarian *foreign minister had a German problem that was* getting worse by the hour.

Tens of thousands of East Germans were arriving on one-way summer vacations. These were not dissident intellectuals or political radicals. Their strength was in their numbers and in their banality. They were the spine of Europe's middle classes — young couples with babies and marketable skills.

They said they would not return to a Communist homeland that combined secret police snooping with consumer shortages. They were galled by the inequity of a party elite that had first dibs on the best apartments, the newest cars, the freshest vegetables. They *wanted nothing more than safe passage to a better life* in West Germany's booming capitalist economy. They had picked their route carefully.

As Mr. Horn, 57, a diminutive man with steel-gray hair, paced back and forth in his Budapest home, he knew what the East German refugees had guessed: Hungary had painted itself into a corner. After rushing toward democracy, his country either had to let the East Germans go or return to the hypocrisy of its communist past.

In the summer of Eastern Europe's great year of democratic change, Hungary was well ahead of the pack. Pressure for change had come not from the streets but from within the Communist Party itself. The process had been accelerating for more than a year.

It started when Janos Kadar, the party boss who took control in 1956 after Soviet tanks silenced an attempted revolution, was dumped by progressives. That was in May of 1988. Less than a year later, Communists approved the creation of opposition parties *and set the stage for free elections.*

As far as free travel was concerned, there were new laws guaranteeing the right to a passport and the right to emigrate. Hungary signed a 35-nation human rights agreement in Vienna in January 1989 that committed the government not to delay or deny a citizen's right to travel abroad. A United Nations protocol on refugees, which Hungary signed two months later, obligated it not to force refugees to go back home. As summer began, Hungarian border guards tore down the fence that separated Hungary from Austria.

The foreign minister felt the weight of all this throughout that warm August night. There was, however, one complication: a valid bilateral treaty. Hungary and East Germany signed the treaty in 1968. It commits the countries not to allow each other's citizens to cross into a third country without specific permission from the home government.

Mr. Horn brought a copy of the treaty home with him that night. He read it again and again as he paced. He thought that if his government violated the treaty, *East Germany* and its hard-line allies, Czechoslovakia and Romania, might to try to get even. East Germany and Czechoslovakia were major trading partners. Hundreds of thousands of ethnic Hungarians live in Romania.

"It caused me a great deal of headache and suffering," Mr. Horn said. "I had some fears of potential countersteps, economic and other kinds of measures.

"As *the morning came, I had already arrived at my* decision. There was simply no other way."

The prime minister added: "The agreement that we signed in 1968 was an anti-human agreement. We had to look for the humanist solution no matter what sort of conflict might arise. It was quite obvious to me that this would be the first step in a landslide-like series of events."

Before Mr. Horn's sleepless night of treaty-busting, his ministry had tested Soviet reaction to ripping a hole in the Iron Curtain. According to Laszlo Kovacs, Mr. Horn's friend and the No. 2 official in the Foreign Ministry, informal channels were used to assess how *the Soviet Union might react.*

"We didn't specify, but we hinted," Mr. Kovacs said. "I was one of the men involved. We put it in such a way, that if things would go like they did, finally there will be no other choice for Hungary but just to let the East Germans go."

Mr. Kovacs said the Soviets did not object.

Mr. Horn traveled to East Berlin on Aug. 31 to break the news to the East German foreign minister, Oskar Fischer. Mr. Horn sat through an hour of Mr. Fischer telling him that Hungary must live up to its treaty obligations.

"I explained that I had not come with a proposal," *Mr. Horn said, "but with a decision."*

Both Mr. Horn and Mr. Kovacs, as career Communists, have been driving forces in the party-led move toward democracy in Hungary. They despised the intransigent policies of the East German leader, Erich Honecker. When Hungary let the East Germans go on Sept. 11, these two diplomats knew they were shaking the earth beneath Mr. Honecker's feet.

Mr. Kovacs said that pleasure could not be a motive in foreign policy. Speaking for himself and for Mr. Horn, he added: "We didn't want to enjoy ourselves. But we didn't mind. We didn't mind."

EAST: *Collapse of the Centuries-Old Logic of Power*

(Continued from page 1)

ments, both those in parliaments and those in the streets, on a course of nonviolence and negotiation with Communist rulers, also unique in the history of *European revolution.*

Finally, until the tragedy of Romania, Communist leaders around the region decided at key moments of crisis to give up their power peacefully, an extraordinary concession motivated by a mixture of humanity, patriotism and sheer exhaustion.

The tragedy of Romania revealed as much about the role of the Soviet Union in the drama as it did about one dictator's madness.

Time and again, Mr. Gorbachev chose to encourage rather than dissuade local Communist leaders as they stood on the brink of opening borders, freeing prisoners or signing away their dictatorial powers. The presence of Soviet troops in East Germany and Czechoslovakia had helped dissuade desperate Communist hard-liners from launching wars against their own people, but Romania was the one country where no Soviet troops were stationed and where Mr. Gorbachev's influence was muted.

Throughout the year, the role played by *the United* States and other Western countries was that of cheering but cautious spectators. In part, this was a stance that East Europeans had come to expect: in past crises both at the onset and in the aftermath of World War II, the West had judged Eastern Europe outside its realm of action.

At the same time, Western policymakers could argue that their low profile had a positive effect, giving Mr. Gorbachev the assurance that the West did not intend to exploit his concessions to the region's democratic and pro-Western opposition movements.

Neither Mr. Gorbachev nor anyone in the West could have foreseen a year ago that such an upheaval would come so quickly. It is doubtful that the Soviet leader had decided in advance to tolerate the magni*tude of change that eventually* took place. Yet, as the events moved forward with increasing speed, he and his allies found themselves maneuvered by the stark choices of a crisis that had been building up for decades.

At the beginning of 1989, the Communist regimes of Eastern Europe were divided into two camps.

In Poland and Hungary, pro-change leaders had been working for years to liberalize and restructure the old Stalinist systems of centrally directed economic *production and totalitarian politics, trying to accom*modate the world's new economic forces and aspirations for pluralism. In East Germany, Czechoslovakia, Bulgaria and Romania, elderly and often corrupt rulers were rigidly clinging to the old system, con*vinced that liberalizing would only invite chaos.*

In fact, both forms of Communist rule in the region had quietly reached the point of collapse. In Poland and Hungary, *perestroika* had brought on economic crises but had done nothing to satisfy popular aspirations. In the hard-line states, meanwhile, Communist apparatuses rotted by years of corruption, secrecy and isolation from the public were struggling to conceal their own crises of industrial obsolescence and falling production.

While the crisis of communism grew in the 1980s, its *alternative, the opposition movements born in Eastern* Europe in the 1970s, grew to full maturity. Inspired in part by the lessons of the region's many failed revolutions, by the European human rights movement born at the 1975 Helsinki conference and by such events as Pope John Paul II's 1979 visit to Poland, intellectuals like Adam Michnik of Poland and Vaclav Havel of Czechoslovakia had formulated a new kind of East *European political movement based on grass-roots* organization, democracy and nonviolence.

Solidarity, the first mass movement to embody the new strategy, was defeated in Poland by the old East European logic of martial law in 1981. Still, its leaders survived and spent eight years learning the hard political arts of tolerance, negotiation and compromise.

Their ideals and experience, echoed by Czechoslovakia's Charter 77 movement and spread throughout the region by samizdat pamphlets and foreign radio broadcasts, prepared a whole generation of young *intellectuals and workers for a rebellion that could be* both massive and peaceful, irresistible and open to negotiation.

Once it began, in Poland in the early spring of 1989, the revolution followed two tracks and moved at two speeds.

In Poland and Hungary, the states that had tried and failed to change, weakened and discouraged Communist leaders *withdrew step by step,* negotiating their downfall with veteran opposition leaders while much of the public watched with faint hope and apathy.

In East Germany, Czechoslovakia and Romania, sparks from the nearby changes — and from the attentions of Mr. Gorbachev — fell upon the rotten tinder of official corruption and popular discontent and ignited political explosions in which opposition *movements* arose and Communist establishments collapsed in a matter of weeks, or days.

In retrospect it is clear that the two tracks of change fed each other along the way. A decision in Budapest to open the borders set in motion a hemorrhage of *humanity that drained the last strength from the hard*line regime in East Berlin. Demands voiced spontaneously by the crowds in Wenceslas Square in Prague soon echoed back into the more orderly parliament chambers, where Poland's revolution played out.

Almost lost in the colorful crowds and collapsing walls in the final weeks was a stunningly silent, almost intangible climax: the disappearance of the last of the great empires of central and Eastern Europe.

Mr. Gorbachev, it became clear, had been determined from the beginning to avoid the historic tool of force, and that principle, step by step, had obliged him to accept the loss of his allied Communist rulers. Though its troops remained, the Soviet bloc had vanished.

And more than at any time in its history, Eastern Europe was free to shape its own future.

East Germany: A Last-Minute Stay of Execution

Washington Post Service

BERLIN — By 3:30 on the afternoon of Monday, Oct. 9, the center *of Leipzig, East Germany's second*-largest city, resembled an armed camp.

Riot policemen backed by water cannon stood watch over intersections around the broad Karl-Marx Platz, the nearby Karl Marx University and the huge central train *station. Lines of armored cars were* backed up on nearby side streets, packed with thousands of police, *"battle groups" of the Communist* Party's militia and special fighting teams of the feared State Security police, or Stasi.

Nearby, at the St. Nicholas Church, a huge crowd of people filled the nave and spilled out the door. They were praying and wait*ing for a mass demonstration* scheduled to begin at 6 P.M., a protest against the hard-line regime of Erich Honecker.

Fired with the spirit of revolt, the people were determined to take to the streets despite the violence that seemed to await them. Local hospitals had called in extra staff and were preparing supplies of blood. Offices were closing early and streetcars were packed with the uncommitted, hurrying home to get out of the way. The entire city appeared to have drawn in its breath.

At that moment, in a house in the residential district of Lentzsch on the city's western edge, six men were taking their places around a wooden table in the living room of Kurt Masur, the renowned director of Leipzig's Gewandhaus Orchestra. Mr. Masur served coffee to his guests, several of whom had never met each other before: They were a theologian and opposition activist, the Reverend Peter Zimmerman; a popular local cabaret artist, Bernd Lutz Lange; and three "secretaries," or department chiefs, of Leipzig's Communist Party organization: Roland Woetzel, Jochem Pommert and Kurt Mayer.

Mr. Masur had been scheduled to conduct a performance of Richard Strauss's "Till Eulenspiegel" in the modern Gewandhaus concert hall on the Karl-Marx Platz that evening. Now, he pronounced an imperative that was to lead the men at his table to one of the most crucial acts of the revolution beginning to take hold of East Germany.

"Gentlemen," he said, "our country cannot afford any violence tonight."

For weeks before, tension had been building in East Germany, which under the direction of the ailing Mr. Honecker, 77, had refused to deviate from hard-line Communist rule even after thou*sands of its citizens began pouring* through Hungary to the West.

Two days before, as the Soviet leader, Mikhail S. Gorbachev, wound up a visit to the country marking the 40th anniversary of East German statehood, the police had violently dispersed mass dem*onstrations in East Berlin and* Leipzig. A Communist militia commander, writing in Leipzig's state newspaper, had warned that further protests would be suppressed "with arms in hand, if necessary."

Since early in 1988, Leipzig — a traditional locus of ferment in Germany — had been the breeding ground of the opposition movement to Mr. Honecker. Since 1982, pastors at the St. Nicholas Church had conducted a weekly "prayer for peace" service on Monday evenings that had become a gathering point for young people seeking to emigrate.

Beginning the first Monday of September, following Hungary's decision to allow East Germans through to the West, the crowds gathering at the church doubled in size every week and began to chant, "We're staying here."

Mr. Masur and the party officials he had invited that day to his home were convinced that Leipzig was on the verge of becoming the site of "another Beijing," as Mr. Mayer, the local Communist secretary for culture, later put it.

Before Mr. Gorbachev's arrival, Mr. Honecker had issued an order to security forces telling them to put down "counterrevolutionary" demonstrations "by any means," party sources said. The show of force in Leipzig's streets early that afternoon suggested to the local party men that the police planned a attack on demonstrators that, like the suppression in China four months earlier, would smash the mass protest movement.

The six men at Mr. Masur's house decided that it was up to them to act. Two hours later, at 5:30 P.M., a tape of Mr. Masur reading a joint statement by the three party leaders and three public figures was broadcast over the public address speakers ringing the

> **'Without our appeal, there would have been terrible violence.'**
>
> **Kurt Masur, director of Leipzig's Gewandhaus Orchestra.**

center of Leipzig. The text was also read in the St. Nicholas Church and the three other churches where demonstrators were gathering, and transmitted over the internal radios of the police and security forces.

Appealing for calm on all sides, the statement offered a stunning commitment by the Leipzig Communist leaders.

"We all need a free exchange of opinions about the continuation of socialism in our country," it said. "Therefore, we promise all citizens that we will use our full power and authority to ensure that this dialogue will occur, not only in the Leipzig area but with our national government."

That unprecedented concession of legitimacy to the protest movement galvanized both the 70,000 people who marched through Leipzig that *night and the police who* had seemingly been prepared to assault them.

As they poured out of the churches at 6 P.M. and paraded triumphantly around Karl-Marx Platz and downtown Ring Road, the demonstrators interspersed chants of "We are the people" with "No violence." And shortly after 6 P.M., 20 minutes after Helmut Heckenberg, the acting Communist Party chief of Leipzig, delivered the statement of the six to the local police commander, the police snapped off their lights, cut the engines of their trucks and water cannon, and withdrew from the line of the march.

"Without our appeal, there would have been terrible violence," Mr. Masur said in an interview late last month. He added: "I credit the cleverness of the Leipzigers. The police commanders acted for their city. They did not just follow orders from Berlin."

In retrospect, Mr. Mayer also concluded that the political appeal stopped the police from attacking the demonstrators with their sticks and water cannon. But the party official said he subsequently learned that Leipzig's police commander had separately received an order from East Berlin not to use live ammunition on the demonstrators.

For Mr. Masur, Mr. Zimmerman and Mr. Lange, the appeal of Oct. 9 was an act of humanity and patriotism for which they had been preparing, in one way or another, for much of their lives. Yet, for the police commanders and the three party officials, the events of that day meant a drastic break with their party and the system of power that had ruled the country for 40 years. By endorsing a dialogue with the opposition, the Leipzig party leaders had, in effect, mounted a challenge to Mr. Honecker's leadership that would inevitably have to be sustained or rejected by the Politburo.

"We were very clear on that," Mr. Mayer recalled in an interview in mid-December. "We knew that if we went to Kurt Masur's apartment there would be decisive consequences — that it would either be us or the party leadership."

Why would a 54-year-old man like Mr. Mayer, a loyal Communist for 31 years, decide to bet his career and possibly his life on a challenge to the entrenched Mr. Honecker?

"For three years I had been working with artists as secretary of culture, and they had pointed out a lot of problems and contradictions *to me," Mr. Mayer answered. "We* kept waiting and waiting for change to come from Berlin, but nothing came.

"But the straw the broke the camel's back was the massive departure of our young people, who were going to the West," Mr. Mayer went on. "The arrogance of the leadership was incredible: Honecker said there was no problem to solve. That's the point where I said to myself, 'This can't go on anymore, we will have to do something.'"

Even the growing dissatisfaction *of the Leipzig party leaders might* not have not been enough to motivate them to act, Mr. Mayer said, if it had not been for Mr. Gorbachev's visit the previous weekend.

"Gorbachev said a very crucial thing, that a leadership that isolates itself from its people will no longer enjoy the right to exist," Mr. Mayer said. "He also said that it was up to each Communist Party to find a way to renew itself. That gave us a lot of courage."

The three party leaders were so worried about high-level reaction to their public commitment that *when Egon Krenz, then the party's* secretary for security, called Leipzig at about 7:30 that evening to ask about the demonstration, they did not tell him what they had done.

"We didn't know how he would react," Mr. Mayer said, "and we were afraid he would try to stop us."

By the next evening, however, it was clear that powerful forces in the party had embraced the Leipzig leaders' revolt.

At a Politburo meeting in East Berlin, their move was backed by Mr. Krenz and other members despite the furious objections of Mr. Honecker, party sources said. The Politburo split prompted the call*ing of an expanded leadership* meeting, and eight days later, on Oct. 18, Mr. Honecker was forced to resign in favor of Mr. Krenz.

—JACKSON DIEHL

TURNING POINTS: It was not unexpected that Zhivkov would get the boot. The surprise was who wore it.

Pro-democracy demonstrators in Budapest in March, and a gleeful crowd in St. Wenceslas Square in Prague nine months later cheering as the new cabinet is announced.

When the Berlin Wall Fell, So Went the Cold War

Washington Post Service

BERLIN — On Nov. 9, East German leaders made one of the most momentous political decisions of the last half century. The opening of the Berlin Wall that night has been cited by statesmen and commentators around the globe as the moment that ended the Cold War, the instant in which the German nation began the march to reunification or the day on which the Soviet empire cracked.

But two months later, no one has stepped forward to accept credit for changing the world, or to explain how and why the decision was made. There is informed speculation, shared by Western diplomats and East German sources, that a group of three or four desperate men trying to save their political careers started the process that brought the wall down. But the officials named in this speculation have refused to confirm their involvement.

Why they remain silent is part of a larger puzzle. Also still uncertain is exactly what their intentions were in issuing a clumsily worded, imprecise announcement about travel to the West that led large crowds to gather at the Berlin Wall on the evening of Nov. 9. Unsure exactly what their leaders intended, the increasingly nervous border guards decided on their own at the wall that night to let the crowds cross over to West Berlin.

"The guards kept saying at first that they had no instructions, that the people should come back the next morning with the proper documents," recalls Alonso Alvarez de Toledo y Merry del Val, the Spanish ambassador to East Germany, who arrived at the wall just as the crowds began to build up and who spent the evening traveling from checkpoint to checkpoint.

"But soon," he said, "local commanders started waving people through when they saw that the crowds were getting far too large to control."

The border guards were responding both to the crowds and to the vacuum of power that had developed in a matter of weeks at the top of one of the world's most authoritarian Communist regimes. Ill with cancer and in open conflict with Soviet policies, Erich Honecker allowed the East German refugee flight to the West to turn into a national crisis that brought his downfall and discredited the entire leadership.

On Oct. 3, preparing for the visit of President Mikhail S. Gorbachev of the Soviet Union and for the 40th anniversary of the East German state, Mr. Honecker sought to re-establish his damaged authority and to shut off the flow of refugees by closing the border with Czechoslovakia.

It was a fatal miscalculation, one that shocked the blue-collar workers and others who had remained at work while 150,000 of their countrymen migrated West in the first nine months of 1989. Many factory workers were working two shifts to make up for the hemorrhage of the labor force. Now they saw the right to travel even to neighboring Communist countries for vacations, for time out of the East German pressure cooker, abrogated.

"Suddenly the wall went up to the East as well," a middle-level East German party official said. "This added the last powder keg that would eventually blow us all up."

Increasingly large and hostile crowds took to the streets of East Germany's major cities throughout October to challenge the party. Mr. Honecker was jettisoned by a party leadership trying to save itself through political accommodation.

When Mr. Honecker's successor, Egon Krenz, flew to Moscow at the beginning of November, he was told by Mr. Gorbachev that the party leadership had to rid itself of "unnecessary problems" if it was going to survive in power, according to a senior Communist diplomat in East Berlin.

Mr. Krenz sought on his return to East Berlin to follow that advice and to placate the nation by opening the borders with Czechoslovakia and announcing that East Germans would be allowed 30 days a year travel abroad. But the effort blew up in his face.

The flight of refugees through Czechoslovakia immediately resumed. On Tuesday, Nov. 7, a committee in the newly assertive parliament turned down Mr. Krenz's travel changes as woefully insufficient to stem public anger. The following day, the party's 163-member Central Committee began a previously scheduled three-day meeting in an air of full crisis.

Günter Schabowski, the senior party official in charge of propaganda and a man who would play the central public role in the opening of the Berlin Wall, received a Western visitor before the Central Committee meeting started. Asked by his visitor if the party might open the borders with West Germany, Mr. Schabowski gruffly said there was absolutely no chance of such a decision being made by the Central Committee.

Diplomats who have sought to reconstruct the tumultuous meeting have concluded that Mr. Krenz avoided any serious debate of this explosive subject. Instead, the decision to offer the populace a promise of unrestricted travel to the West was apparently made late in the afternoon of Thursday, Nov. 9, by Mr. Krenz and three or four other senior party figures who met secretly while the Central Committee debated other matters.

Reading from a piece of paper that he apparently had not had time to study, Mr. Schabowski announced at a 7 P.M. news conference that "permission will be given at short notice" for "private journeys" and "permanent emigration" to the West "without the present preconditions having been fulfilled."

Amplifying on the opaque language of what appeared to have been a hurriedly written communiqué, Mr. Schabowski specified that East German citizens would still need exit visas, but that these would be quickly issued by the police now instead of being withheld.

But the idea of exit visas vanished as tens of thousands East Berliners streamed to the wall on that Thursday evening to find out what the announcement meant. A simple check of identity cards by the border police was quickly established as a precedent and endured through the weekend, as more than a million East Germans crossed into West Germany and West Berlin. Whatever Mr. Krenz had intended, the Berlin Wall as an effective barrier was, within a weekend, a part of history.

—JIM HOAGLAND

Czechoslovakia: A Fatal Blunder by Hard-Liners

By Mary Battiata
Washington Post Service

PRAGUE — Czechoslovakia's Velvet Revolution, as it came to be called, began with the crack of riot sticks against student heads.

On Friday night, Nov. 17, more than 3,000 young people stood in the cold facing a line of riot policemen. As the students chanted for elections and entry into nearby St. Wenceslas Square, hundreds more policemen moved in behind them, sealing off connecting streets and forming a human cage.

At about 10 P.M., the police attacked. With help from the Red Berets, an anti-terrorist squad, they bashed, bludgeoned and kicked with methodical fury, continuing even as unarmed students fell bleeding to the ground.

The assault, which the police later testified was ordered by the Prague Communist Party leader, Miroslav Stepan, and approved by the country's senior Communist, Milos Jakes, was a fatal error by a leadership on which the walls were closing in.

The blood that stained Narodni Street that night, and rumors that at least one student had been killed, ignited the emotions of the Czechoslovak people. But the nation responded not with violence but defiant peacefulness. In 10 days of singing, chanting, key-jangling and and nonstop organizing, they elbowed the Communists from power.

But the Velvet Revolution nearly took a rougher course. As thousands of Prague citizens flooded St. Wenceslas Square on Sunday, Nov. 19, the Communist Party's ruling Presidium held a series of meetings in which the leadership first adopted a position supporting armed intervention, said Rudolf Hegenbart, a senior party official then in charge of state security.

That there was no further bloodshed was in large part due to pressure from Moscow, which sent messages through Czechoslovak diplomatic and military channels that it would not tolerate violence, according to senior Communist Party officials.

The Soviet leader, Mikhail S. Gorbachev, concerned that violence would mar his Malta summit meeting with President George Bush and weary of having his hints for change ignored, was ready to help pull the plug on Czechoslovakia's stubborn leaders.

The pressure had begun in midsummer, when Mr. Gorbachev summoned Mr. Jakes and Prime Minister Ladislav Adamec to a meeting in the Crimea. Mr. Adamec recently had irritated Mr. Jakes with calls for genuine economic and even political liberalization. Mr. Gorbachev called the two men together in the hope of making allies of them and to push Mr. Jakes into action.

"When they returned to Prague, they were bigger enemies than before," said Jaromir Sedlak, an adviser in the prime minister's office.

Czechoslovakia's hard-line leadership, installed by Leonid I. Brezhnev to erase the Prague Spring changes enacted before the Soviet-led invasion of August 1968, had for two decades treated independent thought as treason. Mr. Gorbachev presented them with a dilemma: If they allowed democracy, they faced certain extinction. If they did not, they increased Czechoslovakia's isolation.

Instead, the Czechoslovak hard-liners kept hoping Mr. Gorbachev would not last. By November, three major demonstrations in Prague ended in police violence. But opposition groups were mushrooming, and demand for change was also building inside the party.

On Nov. 16, the party's ideology chief, Jan Fojtik, was summoned to Moscow and told that the Soviet Union would repudiate the 1968 invasion. The step had already been taken by new governments in Poland and Hungary. Coming from Moscow, it would deprive Mr. Jakes of the last shred of legitimacy.

State television showed a shaken Mr. Fojtik returning to Prague in the late afternoon on Nov. 17. Before he could brief the Central Committee, events overtook him.

Operation Student, as the Interior Ministry called it, proved to be the worst incident of government violence against citizens in 20 years. The next day, protesters returned to St. Wenceslas Square to light candles and sing anthems at the spots where the beaten students had fallen.

Some Presidium members believed the answer was more force.

Martin Palous, a dissident who was to become an adviser to the new democratic government, said that sometime during that week the Presidium voted on whether to use force to end the demonstrations. Violence lost by two votes, he said.

On Friday, Nov. 24, with 300,000 people in the streets, Mr. Jakes was forced to convene a meeting of the Central Committee.

Mr. Jakes and the entire Presidium submitted their resignations at 7 P.M. People danced in the streets. By the next morning, it became clear that the resignations had not gone far enough.

Mr. Stepan, the man said to have been responsible for the violence, had been reappointed to the Presidium, along with the hard-liners Miroslav Zavadil and Jozef Lenart.

When the Central Committee met again on Sunday, Nov. 26, Mr. Stepan and Mr. Zavadil were dumped. The new party leader, Karel Urbanek, issued an "unequivocal" condemnation of violence.

Ahead: The Task of Building a New Regional Ethos

Washington Post Service

Eastern Europe's whirlwind of change has swept away not only leaders but also the institutions and the philosophy that held these six countries in thrall for 45 years. The region's next challenge in its embryonic attempt at life without Big Brother will be to develop new institutions, nationally and regionally, and a new regional ethos to replace those imposed on them by Stalin and his heirs.

This in turn will bring a change in Eastern Europe's role in the global order. Psychologically and politically, Eastern Europe is no longer conquered territory. Its reconstruction, only now beginning, will mean that the region no longer exists merely to serve as a geographic buffer zone for Soviet security interests or as a cat's paw for Soviet diplomacy in international organizations.

Mikhail S. Gorbachev is gambling that in the nuclear era non-Communist neighbors are an acceptable risk. It is a risk on which not only his political survival but that of the Soviet Union may depend.

The end of empire in Eastern Europe does not abolish, however, the strong connections that geography and history have imposed on the Soviet Union and its immediate European neighbors. Eastern Europe's future will continue to depend in large measure on what happens in Moscow for the foreseeable future.

As the reverberations of the revolution on its border swell back into the Soviet republics in the coming year, Mr. Gorbachev may well find himself confronted by decisions as dramatic as those that faced Wojciech Jaruzelski of Poland or Erich Honecker of East Germany in 1989.

How the Soviet president handles these decisions will feed back into the next phase of the East European revolution. Aides to Mr. Gorbachev suggest in private conversations that they could easily live with a neutral Eastern Europe, perhaps along the lines of Moscow's well-established relations with neighboring Finland.

The Warsaw Pact continues to exist. All six former satellites have said they will not abruptly leave the military bloc. But it is now a hollow alliance on which the Soviets can place little reliance. Czechoslovak and Hungarian officials have made clear their intention to press for deep or total Soviet military withdrawals from their territory and suggest that they may also make unilateral cuts in their national forces.

East German politicians indicate privately that they will make similar demands after elections in May. Mr. Gorbachev's once ambitious-sounding goal of having all Soviet troops off foreign soil by the year 2000 has suddenly begun to sound conservative as the new governments of the former Soviet zone begin to press demands for full sovereignty.

These governments are also serving notice that the other major Stalin-era regional institution, the economic grouping known as Comecon, will have to be radically changed or disbanded as Eastern Europe moves away from central planning, barter trade and the restrictions placed on them through being part of the ruble zone.

Czechoslovakia and Poland have already decided to establish bilateral trade agreements and link their currencies. Hungary has announced it will cut its exports to the Soviet Union by 20 percent next year as its seeks to increase its hard currency earnings from the West.

While refashioning their relations with the Soviet Union, the six countries are also urgently seeking the attention and aid of the 12-member European Community, which through its prosperity and its plans to form a single economic market by the end of 1992 helped bring home to East Europeans the dead end the Communist system reached in the 1980s.

Reduced to penury by economic mismanagement and Moscow's suffocating grip, East European nations are requesting emergency aid to help get through a winter of hardship and the period of difficult economic restructuring that will follow. They also face the unusual experience of free national elections. In a region where ethnic and national conflicts have stymied power-sharing in the past, these experiments could easily explode into new upheaval.

The question of German reunification and the EC's relations with the ex-satellites have become closely linked, at least in the minds of West Germany's EC partners, who demand that reunification be accomplished in ways that do not lessen Bonn's commitment to the Community. France has subtly suggested to East Germany that a dialogue with the Community over future membership is one way to avoid hasty reunification.

Eastern Europe's newly emancipated states will be challenged by the problem of building a stable relationship with the two Germanys, which combined would make an economic superpower in the heart of Europe.

Between the two world wars, Czechoslovakia and Hungary were dominated by German capital and nationalism, while Poland was forced to maneuver uneasily between Berlin and Moscow. In the coming decade, if East European countries are to make the kind of progress they now dream of, they will probably have to rely on a combination of outside factors to help them: West German capital to modernize their economies; stability in the Soviet Union to ensure that they can continue their political movement toward democracy, and continuing U.S. involvement in Europe to provide them with psychological and political breathing space.

The Communist collapse has opened Eastern Europe to American involvement and influence to an unprecedented degree. Officials in the new governments have been busily telling the swelling stream of American visitors that they are concerned about "being left alone with West Germany," explicitly stating that only an active (and generous) U.S. presence can balance Bonn's enormous economic power and long attention to Eastern Europe.

In the past, the collapse of empire has not led to long-term freedom for the peoples of the region, but rather new subjugation in new empires. As 1989 began, Eastern Europe still appeared exempt from Hegel's definition of history as "the progress of the consciousness of freedom." A year later, however, peoples who have found that consciousness through their own action are poised for a new, more promising effort to run their own lives.

—JIM HOAGLAND
and JACKSON DIEHL

Bulgaria: End of 'Zhivkovism'

The Surprise Was Mladenov, the Instrument of Change

Washington Post Service

SOFIA — Before Mikhail S. Gorbachev proposed structural revisions in 1985, Todor Zhivkov had worked willingly and well with four Soviet leaders.

In return for three decades of his slavishly toeing the Kremlin line, Moscow had not minded that Mr. Zhivkov ran his nation like a mobster.

When the party chairman's grandson, Todor, 20, was implicated in the gang rape of an 18-year-old woman in 1988, documents in the case were seized and charges were dropped. When his son, Vladimir, 37, a man with a talent for running up gambling debts and getting violently drunk, was implicated in the death of a television announcer who fell from a balcony of his apartment last summer, the death was ruled an accident.

While 27 Bulgarians were burning to death in a commercial airliner after a botched takeoff at Sofia airport in 1988, Mr. Zhivkov ordered that his jet leave at once for the Black Sea resort of Varna. It flew directly over the burning aircraft.

"Zhivkovism," as it was called, became distinctly less palatable in the Gorbachev era. It was a running joke among diplomats in Sofia that Mr. Gorbachev kept changing his schedule so that entire years passed without his having to meet with Mr. Zhivkov, the longest-serving Communist leader in the world.

Mr. Zhivkov also committed many of the usual sins of East European Communist bosses. He championed the construction of chemical and steel plants that lost money as they poisoned the air and water. He saddled Bulgaria's 9 million people with nearly $10 billion in foreign debt.

As Eastern Europe trembled toward the end of its year of change, it was not unexpected that Mr. Zhivkov, 78, would get the boot. The surprise was who wore it.

Petar Mladenov, 53, balding, bespectacled and double-chinned, is an exceptionally unimposing man. His was the bland face that Mr. Zhivkov chose to present to the world for 19 years as foreign minister. During his long tenure, Mr. Mladenov kept his mouth shut and rose in party ranks to membership in the Politburo.

But in 1989, a year in which Mr. Mladenov made a concerted effort to spruce up Bulgaria's dingy international image, the foreign minister grew more annoyed — and less obscure — by the month.

In January, he signed an international human rights accord in Vienna. He hoped to turn over a new leaf in Bulgaria's record of mistreating its ethnic Turkish minority. Under Mr. Zhivkov, they had been forced to abandon their Islamic names, and human rights organizations had accused Bulgarian soldiers of shooting hundreds of ethnic Turks in the mid-1980s.

But Mr. Mladenov's hopes of moving his country away from racism were dashed in May, when Mr. Zhivkov launched a campaign to force ethnic Turks to flee to Turkey. About 310,000 left.

In October, Mr. Zhivkov again foiled Mr. Mladenov. The foreign minister, still trying to improve Bulgaria's image, had invited a 35-nation environmental conference to Sofia and made it possible for an independent Bulgarian group, Eco-Glasnost, to have a seat at the meeting.

Eco-Glasnost seized the opportunity. Members passed out petitions, organized a demonstration and got headlines around the world.

This democratic boomlet irked Mr. Zhivkov, who ordered his secret police to rough up Eco-Glasnost organizers in a Sofia park. He summoned Mr. Mladenov and accused him of "deviously" planning the overthrow of the government, according to East European diplomatic sources.

In a recent article in the Soviet weekly Moscow News, Ventsel Raichev, the former editor in chief of Sofia News, wrote that Mr. Zhivkov was preparing for "ruthless repression of all deviants." The word "deviant," as Mr. Zhivkov used it, apparently included dissidents in groups like Eco-Glasnost, as well as liberal Communists who tolerated them, such as Mr. Mladenov.

"It's no use arguing with the opposition," the article quoted Mr. Zhivkov as saying. "It must be crushed like a viper."

In response to being dressed down, Mr. Mladenov feigned the flu and began plotting with other members of the Politburo. He skipped a meeting of Warsaw Pact foreign ministers in Poland and a crucial meeting in Kuwait with his Turkish counterpart.

His staff packed up his office, and Mr. Mladenov wrote a letter of resignation to the 10-member Politburo. It accused Mr. Zhivkov of corruption and abuse of power, concluding, "I take into account the risk this letter may bring to me and my family."

The letter was never formally accepted, and the foreign minister recovered from his feigned illness.

He resumed his duties in early November by flying to China. Eastern and Western diplomats in Sofia insist that he stopped in Moscow on his way home and had a chat with Mr. Gorbachev about getting rid of Mr. Zhivkov, but Mr. Mladenov has denied it.

When Mr. Mladenov returned to Bulgaria on Nov. 8, he had the support of Dobri Dzhurov, the defense minister and a longtime Politburo member, whose control over the army was stronger than Mr. Zhivkov's.

General Dzhurov and Mr. Zhivkov came up together in the party as members of a wartime partisan group. But General Dzhurov had been revolted for years by Mr. Zhivkov's behavior and his incessant efforts to advance the career of his son, Vladimir.

Before the pivotal Politburo meeting on Nov. 9, Mr. Zhivkov sensed what was coming. According to Moscow News, he put the Interior Ministry and state security troops on alert, but before the meeting, General Dzhurov and other senior Communists told Mr. Zhivkov that the game was over.

At the meeting, General Dzhurov cast his lot with Mr. Mladenov, as did five of the nine members present.

Mr. Zhivkov was gone, the victim of a palace conspiracy that the Moscow News article says rescued Bulgaria from "bloodshed, violence, meaningless sacrifice, and saved the party from eternal shame."

Bulgarian television the next day showed Mr. Zhivkov looking dazed and bleary-eyed. The same day, Mr. Gorbachev sent Mr. Mladenov an effusive message of congratulation.

—BLAINE HARDEN

Romania: The Rally Backfired

People Cried 'Freedom,' and Ceausescu Seemed Stunned

Washington Post Service

BUCHAREST — The dictator stood on the balcony, shouting and gesticulating. In the square below, a sullen crowd of workers, rounded up at the dictator's command, emitted the customary lifeless hurrahs.

Everything was as usual in the realm of Nicolae Ceausescu, the Romanian leader. But on that morning, Dec. 21, as Mr. Ceausescu raged against the uprising under way in the western city of Timisoara, things were about to career out of control. And the "Conductor" himself would provide the opening.

In the back of what was to be Romania's last pro-Ceausescu rally, people began shouting "Freedom!" and "Democracy!"

On the balcony above the gray Palace Square, Mr. Ceausescu first looked puzzled, then annoyed. He closed his mouth. His hands slowed, and his eyes darted back and forth, searching the crowd. He stepped back.

Live television coverage of the speech was interrupted before Mr. Ceausescu left the balcony, but the damage had been done. That tiny retreat — a public showing that Mr. Ceausescu, for the first time in 24 years, seemed stunned, vulnerable and did not have the situation in hand — was a crucial turning point in the Romanian uprising.

That afternoon, citizens flooded the streets, shouting "Down with Ceausescu" and "Killers!" — a reference to the reported massacre of thousands of civilians in Timisoara the weekend before.

At 10:30 P.M., Bucharest's own massacre began. Mr. Ceausescu's secret police, the Securitate, opened fire on the crowds, killing hundreds. That night, tanks crushed people in the streets.

The next morning, General Vasile Milea, the defense minister, was executed for refusing Mr. Ceausescu's order to have the army open fire on civilian demonstrators in Timisoara. The execution was another critical mistake by Mr. Ceausescu.

"Why didn't you give them ammunition?" an angry Mr. Ceausescu had demanded of the general, according to a stenographer's transcript of their confrontation published in January in the newspaper *Romania Libera*. "If you don't give them ammunition, you might as well keep them at home! What kind of defense minister are you?"

Mr. Ceausescu added, "A few hooligans want to destroy socialism and you make it child's play for them!"

On the morning of Dec. 22, Bucharest radio, still under Mr. Ceausescu's control, announced that General Milea had committed suicide. Soon afterward, the army sided with the people against the Romanian leader and his secret police.

In the streets, the sense of relief was almost overwhelming. Students pushed Christmas trees into the barrels of tank cannons. Demonstrators and soldiers embraced. After a night of gunfire, the Securitate scurried from the streets.

At the Central Committee building, a small white helicopter lifted Nicolae and Elena Ceausescu off the roof as angry crowds burst through the doors downstairs.

Revenge would have to wait, but the city was finally free for celebration. Even the weather was glorious, warmer than usual, with a blazing blue sky.

In Palace Square, in front of the Central Committee, people sang, waved flags and chanted "The Army Is With Us!" But the celebrations were premature.

Mr. Ceausescu's Securitate — better trained, better equipped and more fanatically loyal than any armed force proved to be in Eastern Europe in 1989 — had not given up. They had simply regrouped.

At 7 P.M. Friday, the Securitate began sniping from windows around the Palace Square. People in the streets refused to believe it was happening.

The dictator looked puzzled. He stepped back.

As the army returned fire, first with rifles and then with tank cannon, thousands of people remained on the square, chanting, "We Will Die, But We Won't Go Away."

They hoped to keep the army there, too. It was a pep rally in the middle of a firefight.

In the course of that surreal evening, as celebrations gave way to sniper and tank fire, Romanians were forced to acknowledge what they already knew from 24 years of life under the Ceausescus.

Their country was different. Its history was marked by cruelty, fascism and violence. There was no tradition of democratic rule. The national history books celebrated Vlad the Impaler, a 15th century nobleman who modern historians believe killed more than 100,000 people by forcing them to sit on sharpened stakes.

Vlad's descendants were the Securitate, Mr. Ceausescu's private army of 30,000, who that night began a guerrilla war against the Romanian people. For the next five days, the Securitate terrorized the country, attacking in Bucharest and other cities, including Timisoara, where the uprising had begun.

In Timisoara, a city of 350,000 near the Yugoslav and Hungarian borders, a small demonstration had started on Thursday, Dec. 14 in support of a Lutheran minister, the Reverend Laszlo Tokes, who was to be deported for preaching pro-democracy sermons.

When the demonstrators formed a human cordon around the minister's house to protect him, the first reaction of the authorities in Timisoara had been not force but negotiation.

That uncharacteristic reasonableness from the government encouraged others to join the protest. By Saturday night, tens of thousands of citizens were in the streets, chanting anti-Ceausescu slogans.

On Dec. 17, as the crowds headed for city hall, Mr. Ceausescu miscalculated and decided to treat the protesters as rabble, or "anti-socialist hooligans."

"Relay my order to all officers," he told party leaders by closed-circuit television, adding: "Anyone who tries to enter a state institution or party headquarters, or who breaks a shop window, must immediately be shot. I want calm restored in Timisoara in one hour. Call everybody. Give orders and execute them."

The shooting started late that Sunday afternoon and continued through the night. But instead of quelling the violence, it seemed to enrage the people.

All fall, the citizens of Timisoara had been watching Yugoslav and Hungarian television coverage of the revolutions in East Germany and Czechoslovakia. They were ready.

Timisoara was gripped by a kind of euphoria. "At last, we were doing something," recalled Laszlo Szabo, a chemical engineer who joined the demonstrations Sunday night.

The army did fire on civilians in Timisoara, but not willingly. At least 42 soldiers were executed on the spot during the operation for refusing to fire on the crowd."

By Wednesday, Dec. 20, the soldiers in Timisoara had had enough. When 50,000 workers marched through the streets, headed for the local Communist Party headquarters, the soldiers joined them. That afternoon, the soldiers pulled their tanks into defensive positions around civilian headquarters at the Opera House.

Exactly how many died in the massacre at Timisoara is not yet known, but in the first days the figures were wildly inflated. In a country where information had been rigidly controlled for a quarter century, Romanians were ready to believe anything.

Mr. Ceausescu's decision to call an official demonstration on Dec. 21 "was the biggest mistake he ever made," said a Bucharest resident. "He was so arrogant he believed he could win the crowd over by speaking to them. He did this thing to himself."

Nicolae and Elena Ceausescu were captured the same day they tried to get away. Their capture was announced the next day, along with a promise that they would be given a fair trial.

But as hundreds of civilians were killed by Securitate bullets, and the army post where the Ceausescus were being held came under attack, leaders of the new government concluded they could not quash the Securitate unless they played by the dictator's rules.

On Christmas Day, after a two-hour "trial" that was little more than a shouting match, Nicolae and Elena Ceausescu were executed by firing squad. Shortly after their bodies were shown on television, the shooting stopped.

—MARY BATTIATA
AND BLAINE HARDEN

Herald Tribune
INTERNATIONAL
Published With The New York Times and The Washington Post

OPINION

Yes, Help Gorbachev

Ever since Mikhail Gorbachev came to power in 1985, neoconservatives and other hard-liners in America have strained to find new rationales for old Cold War animosities. It hasn't been easy. Mr. Gorbachev does not fit the mold of Soviet leaders with his political and economic reforms, his unilateral force reductions, his freeing of Eastern Europe, his willingness to reveal the lies of his predecessors, and now his statement that a multiparty system in his own country would not be a "tragedy."

Even so, the hard-liners have persisted in their suspicions, looking for intellectual support wherever they could find it. Some of them now embrace the argument advanced by a writer known only as Z, in Daedalus, journal of the American Academy of Arts and Sciences, and recently excerpted on this page *(IHT, Jan. 5)*. But in so doing they commit two sins of omission.

One is that, like Z, they oversimplify the likely paths to the future. The other is that they pay scant attention to Z's own policy recommendations.

The neocons and hard-liners have long felt that no Soviet leader could be trusted, and that Americans should not be duped into unilateral disarmament. When Mr. Gorbachev first spoke of reforms, they charged that he was all talk and no action. When he began to act, they insisted that more action was needed. When he delivered far more than anyone would have predicted, they found comfort within the Bush administration and its early do-nothing policy, self-described as "status quo plus."

Lawrence Eagleburger, the deputy secretary of state, talked about the turmoil that Gorbachev policies were creating in Europe and seemed to pine over the loss of Cold War stability and certainties. Robert Gates, the deputy national security adviser, argued in effect that Mr. Gorbachev was not worth helping because his reforms would fail and he would be thrown out of office.

Secretary of State James Baker scotched much of this talk by saying it was in America's interest to help Mr. Gorbachev succeed. And President George Bush, after the Malta summit meeting, pledged to press ahead with arms control and Soviet-American trade to help Mr. Gorbachev "keep going forward."

That left the hard-liners groping for a new intellectual underpinning, a new line of attack. Some of them, at least, found it in the article by Z, who argues that if Mr. Gorbachev's goal is to strengthen the Communist system through reform, he cannot succeed. The "system cannot be restructured or reformed ... On this score, Mr. Gorbachev is beyond our help." Helping him would only "prolong the agony."

If, rather, Mr. Gorbachev seeks gradually to transform his party dictatorship and command economy into a democracy and market economy, Z says he can't be believed. He "clearly does not intend" to liquidate Communist Party rule, asserts Z, and thus should not be helped to maintain it.

Thus, through this simple rhetorical device, Z defines away policy choice. Why isn't Gorbachev to be believed? Because, Z says, Soviet Communists would never relinquish power. But, as he now illustrates anew in Lithuania, Mr. Gorbachev has already taken initiative after unimaginable initiative, weakening the party's power.

And even if he doesn't desire Western-style democracy and capitalism, perhaps he is searching. Perhaps he isn't even sure exactly what kind of system he wants and is mainly groping for what will work.

In any event, his actions matter far more than his supposed goals. And his actions offer the soundest test for Western support — whether he continues to allow, even encourage, political and economic freedoms in the Soviet Union and Eastern Europe. These are the very steps that the West has demanded for 40 years. Hard-liners, neocons and Z skirt this issue. They also duck the critical fact that the likely alternatives to Mr. Gorbachev would be far worse for Western interests.

Then Z, unlike most hard-liners and neocons, seems to see that his analysis leads only to a policy dead end and alters course. Z writes that whatever the intentions of Mr. Gorbachev or his successors, the Communist regime is "dwindling away," and here "Western help could play a constructive role."

Z then goes on to urge what Western liberals and moderates have been urging all along — arms control and cooperative arrangements to develop market structures and joint economic ventures in the Soviet Union. Thus, in the end, even Z seems to understand that there is no serious alternative to helping Mikhail Gorbachev. The neocons and hard-liners still miss the point.

— THE NEW YORK TIMES.

Talking About Lithuania

Mikhail Gorbachev's mission to Lithuania provided some positive surprises. He granted the principle that Lithuania and the other Soviet republics have a right to self-determination "up to and including separation" and that the argument was about the terms. He indicated that the Kremlin is not going to use its military to keep Lithuania from exercising that right. He offered "federation" as an umbrella under which the non-Russian, non-Slavic minorities in the current "Union" might take cover. All of this he did on live national television: a gesture of good faith to Lithuanians, and his way of seeking national support.

Most Lithuanians, it seems, were unmoved by Mr. Gorbachev's allusions to the costs and complications of going it alone, by his call to enlist in building a grand new Soviet future together or by his appeals to the greater good supposedly embodied in his continued leadership. And why should they be moved? Stalin swallowed their country 50 years ago. When they were involuntarily going into the Soviet Union, no one offered to pay them the transition fees that Mr. Gorbachev now asks them to pay for voluntarily going out. They have no obligation to help the Soviet leader or his program, to spare him the charge of having "lost Lithuania," to muffle the encouragement that their example may give others. It is easy to see why they believe that their obligation centers on their own liberation. People in the West cannot in conscience expect them to put the fate of perestroika above Lithuania's right to be free.

Still, the Lithuanians and others who may be drawn to emulate them should at least consider the questions of timetable and technique of separation that the Soviet president dwelt on. It may be, as some of their leaders charge, that these issues were only raised by Mr. Gorbachev to delay and confound their independence. But talking about them would cost the Lithuanians little and could conceivably spare them trouble yet unforeseen. The questions that Mr. Gorbachev raises about costs and consequences are not completely frivolous. They will need to be addressed. This is not impossible, but it will severely tax the negotiators' resourcefulness and trust, and it will take time.

By treating Lithuania as an issue open to discussion, Mr. Gorbachev implicitly accepted the possibility of different outcomes. But things are a long way from allowing anyone to say that he has either succeeded or failed. However uncertain its results, his virtuoso performance in Lithuania leaves him as the preeminent national Soviet spokesman and the only Kremlin figure with major political resources and a large view of the Soviet future.

— THE WASHINGTON POST.

Japan Points the Way

It's a stylized performance. The politician up for re-election dons the statesman's mask and travels abroad in search of good visuals. But the trip to Europe by Prime Minister Toshiki Kaifu of Japan is no mere ritual play for attention. It is the clearest sign yet that Japan is ready to use its economic power for responsible political ends.

The world's largest donor of foreign aid, Japan has largely confined its largesse to Asia. Now it is reaching out, with a constructive package of $1 billion in aid for Poland and Hungary.

Washington has long encouraged Tokyo to put economic aid to political use. The United States might now take its own advice by increasing its own aid to Eastern Europe and the Soviet Union. Japan, with half the GNP of the United States, gives as much aid as the United States to these countries. So does West Germany, with one-fifth of America's GNP.

Japan had already pledged $150 million to Poland. Now it offers $500 million in loans, and an equal amount to Hungary. More important than loans, which these heavily indebted countries will have trouble using, Japan is trying to stimulate private Japanese trade and investment.

Japan's statesmanship is hardly selfless. The Japanese expect to obtain economic benefits from aid. One is direct: Earmarked aid boosts Japanese exports. A second benefit is less immediate: to develop East European markets as a hedge against any closing of Western Europe. And Japanese products there could enter the European Community as it opens its import gates to the East. That is one reason why Suzuki is investing in an automobile plant in Hungary and why Daihatsu plans one in Poland.

But Japan's aid may be tied as much to political as to economic ends. To a Soviet Union anxious not to be left behind Eastern Europe's economic advance, it is an inducement to normalize relations with Japan.

The two countries have remained technically at war since 1945. But Tokyo will not sign a peace treaty unless Moscow gives back four small islands that it seized then. An exchange of visits by President Mikhail Gorbachev's Politburo ally Alexander Yakovlev and by Japan's foreign minister have raised expectations of the islands' return. Mr. Gorbachev may find a way to accommodate Japan when he goes to Tokyo next year. Then, Soviet-Japanese rapprochement could lead to restructuring of the Soviet economy as well as of Far East diplomacy.

That is the sort of political payoff for aid that Washington needs to think about.

— THE NEW YORK TIMES.

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages* • REGINALD DALE, *Economic and Financial Editor*

RENÉ BONDY, *Deputy Publisher* • RICHARD H. MORGAN, *Associate Publisher* • FRANÇOIS DESMAISONS, *Associate Director* • JUANITA I. CASPARI, *Advertising Sales Director* • ROBERT FARRÉ, *Circulation Director, Europe* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 5-861016. Telex: 61170 Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lautenbach, Frankenstr. 15, 6000 Frankfurt M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427173 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

Gorbachev Would Do Well to Step on the Gas

By Flora Lewis

PARIS — Much has been said about the speed of collapse in Eastern Europe. It is true that, like an earthquake or an avalanche, the televisual action came all of a sudden. But, like such natural upheavals, the dynamics which triggered the movement had been building up for a long time.

Where people inside the regimes were bright enough to try to get out in front and channel change, it came relatively smoothly. Where they tried to dig in their heels and prevent it, they fell flat. That was what Mikhail Gorbachev tried to tell East Germany's Erich Honecker last fall, but it was too late, and he had to let the wall come down.

The question should not be why change came in such a rush in Eastern Europe, but why it took so long. And for the Soviet Union, while it is evident that Mr. Gorbachev personally unleashed the momentum of reform, his trouble is not that he has tried to go too fast for a country stuck in a bog, but that he has been going too slowly.

The late Andrei Sakharov, in an article published in December, told of a conversation with Mr. Gorbachev. He said he was worried because real economic reforms "have not yet begun."

"I said," Mr. Sakharov wrote, "Mikhail Sergeyevich! It is not for me to tell you how serious things are in the country, how dissatisfied people are and how everyone expects things to get even worse. There is a crisis of trust in the country toward the leadership and the party. Your personal authority and popularity are down to zero. People cannot wait any longer with nothing but promises. A middle course in situations like this is almost impossible. The country and you personally are at a crossroads — either speed up the process of change all the way, or try to keep the administrative command system with all of its qualities."

Mr. Gorbachev replied, "I am against hopping around, panicking, hurrying." Mr. Sakharov argued that the same incompetent people were still running the country. Mr. Gorbachev said it was because "you, the Moscow delegates, wanted to play at democracy," and so the people he needed in the Supreme Soviet didn't get elected.

Other, less forthright advisers have been telling Mr. Gorbachev about the danger of patchwork reform. Also in December, Abel Aganbegyan, a leading economist, said he was urging a crash program to dramatically expand the free market, including housing, land, stocks and bonds, and offer the most desired consumer goods on a reverse installment plan — pay now for delivery later — to soak up excess rubles and make price reforms possible. The leadership decided against quickening the pace, considering it too risky.

In Eastern Europe, only Poland has dared so far to take the painful plunge of moving to market prices, the essential base for restructuring the economy. It remains to be seen if that is socially tolerable. But the Solidarity-led government probably does have the political credit to carry it off, if results begin to show rapidly.

As Poles know, there are three basic reasons why Communist regimes were able to last two whole generations in Eastern Europe, amassing the troubles they are now trying to dig out from under.

One is World War II. People were too exhausted, too beat down to resist again when "liberating" Red armies drove out the Nazis and imposed the Soviet system. The empire might have tumbled down in 1956, during the Hungarian revolution, but the British-French Suez war came at the same time, and suddenly, only 11 years later, people throughout Eastern Europe feared that they were on the verge of World War III. Public morale collapsed and fear was reinstated.

A second reason was faith. A lot of people, always a minority but still enough to run things, did believe that communism offered a better social system than the capitalism and feudalism they had known. Many saw the flaws behind the boastful propaganda but thought they were wrinkles that could be worked out. Time disabused them.

The third reason, linked to the first two, is generations. It turned out not to be true that totalitarianism could breed a pliant new kind of humanity. It was no accident that students and other youth led last year's revolutions. They had not had the daring beat out of them and the cynicism beat in, as their parents had.

The dynamics which brought the changes are still there. That is why I disagree with the author Z (my guess is that he is Dennis Ross, head of the State Department's Policy Planning Staff) that the intentions of Mr. Gorbachev and his comrades matter. They have started something they cannot stop.

It is in the West's interest that they keep going, and in their own that they move faster.

The New York Times.

When the Man of the Decade Loses His Temper

By Jim Hoagland

PARIS — "Who are you? Where do you work? ... I don't want to talk to this man anymore. If people in Lithuania have attitudes and slogans like this, they can expect hard times." Thus the Man of the Decade, raging at a Lithuanian factory worker in Vilnius last Thursday.

The outburst, reported in detail by Agence France-Presse, reveals a side of Mikhail Gorbachev that is rarely considered by Western observers, but which is likely to be an important factor in the crisis-filled year that lies ahead for the Soviet Union.

Despite his considerable skills as a politician, when feels the heat he shows it. His testiness leaps out to smother the reasonable, dynamic image he usually projects. As he faces up to the twin threats of nationalist uprisings and demands for major troop withdrawals from Eastern Europe, his temper becomes a major factor in international politics.

"Who are you? Where do you work?" These are the questions of an authoritarian taking down names for the files. They bear the chilling ring of the Chinese prime minister's repeated questions to the protesting students he met in May at the height of the Tiananmen Square protests.

"Who are you? What school are you from?" Those were the only questions Li Peng asked the students. "He's nothing but a cop," a student said afterward of the man who would shortly order a massacre.

This is not to suggest that Mr. Gorbachev is considering the use of brutal force against peaceful demonstrators or deserves to be compared with Li Peng. His handling of the East European crises of the past year has vindicated his pledges to avoid using force to resolve political problems. He wants to avoid bloodshed.

Faced with the new sink-or-swim school of management at headquarters in Moscow, Eastern Europe's hard-liners promptly and collectively went under like a boulder. Now it is Mr. Gorbachev's buoyancy that is being put to the test.

"The revolution that began in Moscow, thanks to Moscow, thanks to Mr. Gorbachev, who liberalized the system, will run through Europe and then return to Moscow," President François Mitterrand of France said on Dec. 6 after meeting the Soviet leader in Kiev. "Gorbachev understands this and is preparing for it."

But in Vilnius, Mr. Gorbachev gave no sense of having a clear strategy for resolving the demands by the independence movements now fully developed in Lithuania, Estonia and Latvia and taking form in Armenia, Georgia and other Soviet republics. He seemed to be playing for time by conceding to the crowds the right to secede while artfully pleading that the right not be exercised.

Then he saw an elderly worker carrying a sign demanding full independence for Lithuania. "Who told you to write that banner?" he asked accusingly, initiating the exchange that quickly caused him to boil over.

His impatience with those who question his decisions on internal matters registered strongly on a small group of us who interviewed him in May 1988. He grew openly irritated when we returned several times in the 90-minute interview to the subject of Soviet dissidents. It was the last meeting of that length and character that he has conducted with a Western publication.

That he developed authoritarian reflexes as he rose to the pinnacle of power in the Soviet system is hardly surprising. It is his democratic tendencies that have surprised and impressed admirers at home and abroad. He has been able to keep these more positive attributes in the spotlight. But he will be hard-pressed to keep the approach of reasonableness and persuasion at center stage as the downward spiral of the Soviet economy continues and the new governments in Eastern Europe demand greatly accelerated pullouts of Soviet troops. Stress of a maximum kind lies ahead.

"It is easier to retire a tank than it is to retire a general," one of Mr. Gorbachev's associates said glumly a few weeks ago. "There is no housing, there are no jobs available in the Soviet Union for all these generals that the Czechs, Hungarians and others want us to bring home."

Crying wolf about Mr. Gorbachev's chances for survival has been a favorite Western pastime since he came to power. His blowup in Vilnius suggests that this time he himself thinks that the wolf may finally be at the door.

The Washington Post.

Cambodia: Here Is the Chance to Block Pol Pot

By Elizabeth Becker

PARIS — At today's start of talks in a compressed version of the Paris conference on Cambodia, five major outsiders have the best and perhaps the last chance to agree on a peace plan before the Khmer Rouge engulf the entire country in their deadly war to return to power.

Never have diplomatic prospects been brighter nor the stakes higher. The five states meeting today — China, the United States, France, Britain and the Soviet Union — are near agreement on a plan proposed by Australia. Together they represent the source of the military supplies and political weight fueling the war, and by cutting off their support they are capable of winding it down.

If these talks fail and no pressure is brought to bear on the Khmer Rouge, Pol Pot will continue his kamikaze offensive threatening not only Cambodia's second city of Battambang but the capital Phnom Penh itself. Then the five powers would face the more daunting prospect of finding a multinational force to go into Cambodia and stop the Khmer Rouge from massacring the population as they did from 1975 to 1979. Already the French army's chief of staff has wondered out loud if that will be the next act in the Cambodia drama.

The feeble consensus at last summer's Paris conference has nearly unraveled. Europe, non-Communist Asia, China and the United States no longer share a common outlook. After witnessing the liberation of its Eastern neighbors from Communist despots, Western Europe is impatient with Chinese and American support for the non-Communist Cambodian resistance, which has been subsumed by the Khmer Rouge. The two non-Communist armies have yet to win a battle without fighting alongside Pol Pot's soldiers.

French President François Mitterrand said last week that "no compromise is acceptable with the Khmer Rouge." Several European governments could be forced by public opinion to drop the resistance and establish relations with Phnom Penh. Even the discrete Japanese have sent anxious signals that the policy must change.

Today's conflict is a civil war pitting the Phnom Penh government's novice army against the Khmer Rouge, who are nothing but killing machines. Talk of resistance against Vietnam is hollow, particularly after Vietnam and its Phnom Penh client have met the two major demands made of them: withdrawal of the Vietnamese occupation army and acceptance of a major United Nations role in a peace settlement, which is at the core of the Australian proposal.

The Australian minister of foreign affairs, Gareth Evans, gave the West a way out of its dilemma by suggesting that the United Nations act as interim authority in Cambodia during a cease-fire period and the holding of free elections. Countries as disparate as the Soviet Union and Singapore endorse the plan. Phnom Penh and some non-Communist Cambodian resistance figures have given qualified support.

The Khmer Rouge oppose the plan. If China hides behind this Khmer Rouge veto and balks at reaching any settlement, the West has little choice but to impose immediate sanctions on China and the Khmer Rouge for fueling the civil war. Thailand must be given the wherewithal to deprive the Khmer Rouge of their sanctuaries in western Thailand and to cut the supply line for Chinese arms to Pol Pot's soldiers.

The United States will play the pivotal role. Without America's unbending support for China and the Cambodian resistance now dominated by the Khmer Rouge, both China and Pol Pot would have been isolated months ago, after the final Vietnamese troop withdrawal in September.

Since then, hundreds of Cambodians have lost their limbs or their lives while the United States has tried to isolate Vietnam and its client government in Phnom Penh even though that government's army is the sole force protecting Cambodia from the Khmer Rouge. China reneged on its public promise to cut aid to the Khmer Rouge after the Vietnamese withdrawal, and instead has sent them arms and military advisors.

Pol Pot is snubbing his nose at these peace negotiations. His Khmer Rouge diplomats have vetoed all peace proposals and refused to make even token concessions on the ground. He will never accept a cease-fire or free elections, much less the trial he so richly deserves. Instead, he and his intimates will most likely go down in flames and try to take Cambodia's hopes for peace and prosperity with them.

Why postpone peace further, hoping to find a magic formula that the Khmer Rouge won't obey anyway? It is now evident that Pol Pot has been simply stalling for time until the Vietnamese withdrew and he had a second chance to grab power.

Pol Pot should be isolated now — not the Phnom Penh government, which is cooperating in the peace process. If the mini-conference this week fails to agree on an Australian-style plan, it must call for an immediate cease-fire and an end to all arms shipments. These life-saving measures must not be delayed just because some countries prefer a comprehensive solution accepted by all the warring Cambodian armies. That formula would give Pol Pot his second chance.

International Herald Tribune.

Still Time To Correct A Betrayal

By A. M. Rosenthal

NEW YORK — This is the chronology of American betrayal of the struggle for freedom in China. It is worth studying. There is still a chance to recover some of America's honor.

June 4, 1989: The Communist rulers of China order troops to shoot down students and workers peacefully demonstrating for a taste of freedom. Hundreds, possibly thousands, die. In the weeks that follow, thousands are arrested; most are still in jail.

June 20: George Bush orders some mild sanctions against China. He says any high-level contacts with the murderers of Beijing are suspended until they acknowledge the validity of the demonstrators' aspirations.

Early July (exact date still secret): Mr. Bush sends a high-level mission to China but keeps that fact hidden.

July-November: More executions. New waves of arrests, closing in tighter on student leaders who escaped; purging of officials who showed any sympathy with them.

Nov. 30: Mr. Bush vetoes an act of Congress, passed without opposition in the House and Senate, to guarantee that Chinese students in the United States would not be forced to return to China as long as they were in danger.

Dec. 9: A top-level mission is sent publicly to Beijing. Warm exchanges of toasts with the men who ordered the murders. The administration refuses to say whether other secret missions were sent to China.

Dec. 10-24: Mr. Bush says some sanctions will be lifted. He brushes aside protests from Republican and Democratic members of Congress. The administration makes it plain that it expects gestures from Chinese Communists before Congress reconvenes to try to override the president's veto.

Jan. 2-8, 1990: American groups like the International League for Human Rights provide information on arrests and executions, which have continued since the June murders. Chinese students say at least 10,000 demonstrators are still in jail; beg Mr. Bush to demand their release. Chinese Communists denounce East European revolutions, show even stronger determination not to loosen their control.

Jan. 10: As predicted, Chinese Communists announce lifting of martial law in Beijing — not anyplace else where it was imposed openly or secretly.

Many soldiers are transferred to the police force, which now numbers more than 1.5 million in addition to an army about twice that size. There are laws allowing arrests without explanation, secret trials, executions, indefinite detention without trial, forced labor, press control, brutal student "re-education" camps — all still on the books and recently made even harsher.

Denunciation of "lifting" of martial law as a meaningless cosmetic trick comes from all over the world.

In Washington, the president orders steps to permit World Bank loans to Chinese Communists.

Jan. 11: Mr. Bush hails the Chinese Communists for taking a "very sound step." Washington reports possible repeals of other sanctions.

That is the chronology so far.

In the last days of the 1980s the Bush administration deserted the struggle for freedom in China. Whatever the reasons — outdated, stale geopolitics and Mr. Bush's misplaced confidence that he really "knows" China best — the administration picked the wrong China, the China of the oppressors over the China of the oppressed.

In the first days of the 1990s, the administration did something almost as bad — it made a fool of itself. It said that a contemptuous piece of cynical play-acting by the murderers of Beijing was a step toward freedom.

Now here is a date for the future:

On Jan. 24, the day after it reconvenes, Congress will try to override Mr. Bush's veto of the bill to protect Chinese students in the United States. This was always important, to help the students. Now it has taken on profound political significance.

An override would signal to the entire world that at least the legislative branch of the U.S. government remains on the side of the freedom fighters of China. It would be an act of hope and loyalty for the Chinese and the freedom movements still struggling in Eastern Europe and the Soviet Union.

Override of a veto requires a two-thirds majority. The White House is working hard to persuade Republicans who voted for the bill to vote against an override.

Between today and the date of that vote, every American can get in touch with his or her representative and senator and urge them to vote against the veto and for the people of China. This will give all Americans a chance to wipe away part of the stain.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Stanley in Cairo

CAIRO — A goodly company assembled at Cairo station at noon today [Jan. 14] to meet Mr. Henry M. Stanley. The Grand Master of Ceremonies welcomed Stanley back from his courageous exploit in the name of the Khedive. He is bronzed and in splendid condition. He explained that the long silence when the world thought him lost was due to the nonarrival of a letter that he sent and consequent false stories told by his deserters. He speaks in the highest terms of his party, who were the grandest of men.

1915: Italian Earthquake

ROME — Yesterday's [Jan. 13] earthquake is a disaster second to that which devastated Messina in 1908. Estimates of the number of victims vary between 20,000 and 30,000. The worst fears are confirmed with regard to Avezzano, as only 800 out of a population of 11,800 have reportedly escaped. In Rome, the church of St. Agata of the Goths, dating from the fifth century, is cracked from the cupola to the ground. A crack stretches across the porta del Popolo, the work of Bernini and Michael Angelo. The imperial eagles outside have fallen to the ground. The statue of St. Paul atop the Antonine Column, in the piazza Colonna, has been twisted round, and now turns its shoulders toward the Austrian Embassy, which is taken as an omen by the populace.

1940: Coughlin Followers

NEW YORK — In a sensational surprise move today [Jan. 14], J. Edgar Hoover's Federal investigators arrested 18 members of the Rev. Charles E. Coughlin's Christian Front on charges of conspiring to overthrow the government and set up a dictatorship in the United States. They planned to confiscate all Jews, seize public utilities and the gold in the Federal Reserve banks. Among those listed with the group was Fritz Kuhn, former leader of the German-American Bund.

AMERICAN TOPICS

No Right to Privacy For Cordless Phones

The U.S. Supreme Court has refused to review a lower-court ruling that constitutional protections against unreasonable search and seizure apply to cordless telephones. But The Washington Post says civil libertarians are hoping for a more favorable result the next time the issue comes up, as it certainly will, given the growing popularity of cordless phones.

According to industry figures, nearly one-fourth of U.S. households have cordless phones; 10 million are expected to be sold this year.

The lower court ruled that Fourth Amendment protections do not apply because there is no "reasonable expectation of privacy" in cordless telephones — as with conventional-phone conversations — because they are so easy to tune in on.

Steven Shapiro of the American Civil Liberties Union said that "the court's constitutional doctrine has not caught up to technological change."

Notes About People

Former President **Ronald Reagan** said he has *forgiven* John W. Hinckley Jr. and prayed that his would-be assassin "should have some healing for himself." In a television interview, Mr. Reagan said he forgave Mr. Hinckley when he "found out he wasn't thinking on all cylinders." He said, "I added him to my prayers that, well, if I wanted healing for myself and maybe he should have some healing for himself." Mr. Hinckley was found not guilty by reason of insanity of the 1981 shooting. Since then he has been in a mental hospital in Washington.

Justice **Thurgood Marshall** of the U.S. Supreme Court says he was pressured by the Carter administration in 1979 to resign so that Jimmy Carter would have the chance to nominate a justice. Justice Marshall refused. Now 81, he told The Washington Post, "I have a *lifetime* appointment and I intend to serve it. I expect to die at 110, shot by a jealous husband."

Ron Kovic, the Vietnam veteran, anti-war activist and author of "Born on the Fourth of July," is being encouraged by the Democratic Congressional Campaign Committee to run for the California congressional seat held by Robert K. Dornan, a Republican. Referring to the director and star of the new film based on the book, Mr. Dornan said, "If he thinks he's going to recruit Oliver Stone and top gun-turned-malcontent Tom Cruise and bring the whole Jane Fonda team down here to Orange County, I welcome it. Let's go."

Short Takes

Relatively few former members of the armed services — about 10 percent — take advantage of the right to be buried in a national cemetery. About a third of the 27 million U.S. veterans don't even know of this privilege, which extends to all former servicemen and women, except those with dishonorable discharges, whether they served in war or peace.

Mark Shields, the syndicated Washington Post columnist, says one way to end finger-pointing, high-fives and other forms of "gloating exhibitionism" in football games is to stop putting these antics on television. He notes the principle that "the very observing of any act changes that which is being observed." In this case, knowing he was not being observed could persuade the actor to act less obnoxiously.

Most big U.S. cities have Russian restaurants run by émigrés. Washington will soon have one as well, but it will be a joint venture between a U.S. company and the Soviet government. NJG Management of Alexandria, Virginia, and Sovincentr, which promotes Soviet commercial interests abroad, are looking for a location near the Soviet Embassy. The restaurant, to be called Natasha, will cater both to Americans and to Soviet diplomats and members of visiting delegations from the Soviet Union. Two Russian chefs will supervise the kitchen.

A writer to Abigail Van Buren, the advice columnist, has some advice of his own: Keep your will updated, because those named in it can't be depended on to include those inadvertently left out. Signing himself "Been There in Philadelphia," he writes, "They say that blood is thicker than water. True — but money is thicker than blood."

Arthur Higbee

A Spacecraft's Look Back in Time Reveals a Placid Universe

By Warren E. Leary
New York Times Service

NEW YORK — First glimpses of the heavens by a new spacecraft looking for evidence of the beginning of existence have revealed an almost too-perfect universe, scientists said over the weekend.

Preliminary sweeps of the skies by the unmanned craft, the Cosmic Background Explorer, reveal evidence of an early universe devoid of disturbances and irregularities that could explain the origin of the galaxy clusters, expansive voids and other large structures common to space, researchers said.

In presentations at the annual meeting of the American Astronomical Society, scientists said the spacecraft, launched almost two months ago to look for evidence of the Big Bang, was working better than expected.

And early data appear to confirm the predictions of this leading theory of the origin of the universe, they said. The Big Bang theory holds that all existence sprang from the explosion of a fist-sized ball of unknown, primordial material 15 billion years ago.

But evidence so far shows an expanding universe much smoother and more uniform than most scientists had expected.

Many cosmologists, scientists who study the origin of the universe, had expected the spacecraft by now to have seen evidence of disturbances several hundred million years after the Big Bang that could have disrupted the smooth flow of the charged gases from the cataclysm.

These disturbances or irregularities, in theory, would have caused some of the expanding plasma to condense and become the "seeds" for massive structures like the giant gas clouds, great strings of galaxies and huge empty areas now seen dotting the universe.

The craft, however, so far has not detected any such disturbances.

"We can see no deviation from a simple Big Bang theory," John Mather, the chief project scientist for the Cosmic Background Explorer, said at a news briefing.

"But it's hard to understand that with all the large features we see in the universe, we have no evidence of their origin."

Mr. Mather, of the National Aeronautics and Space Administration's Goddard Space Flight Center in Greenbelt, Maryland, where the spacecraft was designed and built, said that in several months it should gather much more detailed data. At that point, he said, evidence of origins of current structures should be apparent, if it exists at all.

"We're getting pretty good evidence that there's nothing there, but it could be hiding in the background," Mr. Mather continued. "Whatever it is, it's going to be small."

George Smoot of the University of California at Berkeley, who also is working on the $400 million project, said scientists were still looking for a missing link between a smooth early universe and the many structures that began appearing relatively soon afterward.

If later data from the spacecraft find no such link, it may be necessary to re-examine some elements of the Big Bang theory, he said.

"Using the forces we know now, you can't make the universe we now know," Mr. Smoot said.

The Cosmic Background Explorer, which contains the most sensitive detectors ever flown on a space mission, is looking for "fossil" radiation generated from within minutes of creation until the time the first stars and galaxies formed.

The solar-powered spacecraft, orbiting 560 miles (900 kilometers) above the Earth, is to twice map the entire sky in the next year. NASA plans to operate the spacecraft for two years. The craft is 16 feet (4.8 meters) long and 28 feet wide.

It contains three principal surveying instruments, including a device to distinguish faint microwave radiation from early times from that produced by the solar system and the Milky Way galaxy in which it resides.

The other two examine different wavelengths of infrared light. To boost their sensitivity, the infrared instruments are cooled with liquid helium to within 2 degrees centigrade of absolute zero.

The Big Bang theory holds that after the initial explosion of the superhot ball that began it all, a process began that led to the creation of atoms within 500,000 years and the early formation of stars and galaxies 200 million years later.

After about 300,000 years from the event, the opaque plasma from the primary explosion turned into more transparent gas, a process that released microwave radiation scientists hope the spacecraft will detect.

Scientists are hoping to find bright spots and dark spots in relics of this radiation that could be evidence of disturbances in the smooth gas that later would be building blocks in the formation of other bodies, structures that make the universe complex and bumpy rather than smooth and uniform.

The '80s: Hottest Decade in More Than a Century

By Michael Specter
Washington Post Service

WASHINGTON — The 1980s was the hottest decade since experts began keeping records more than a century ago, and it included six of the 10 hottest years on record, according to data made public by the Meteorological Office of the United Kingdom, the world's oldest keeper of climatic data.

Researchers say that temperatures fluctuate for many reasons and that changes over a year — even a decade — indicate little of significance. But advocates of the theory of global warming regard the data as more evidence that a warming caused by an increased greenhouse effect is under way.

"You can be relatively confident that this is a result of the greenhouse effect," said James Hansen, a climate modeler at the National Aeronautics and Space Administration's Goddard Institute for Space Studies in New York. "It's not conclusive, but it's one more strong piece of evidence."

Mr. Hansen has been among the most prominent researchers to contend that carbon dioxide and other gases released in the atmosphere have already begun to change the world climate. But most scientists say it will be at least another decade before such a conclusion can be certain.

The meteorological office cited 1989 as the fifth warmest year since records began in the 19th century and noted that it was only slightly cooler than 1988, the warmest year on record. The other years in the past decade that ranked among the 10 warmest were, in order of increasing temperature, 1980, 1981, 1983 and 1987.

"It will be some time before we can presume to know what the cause is or how significant the effects will be," said David Parker, a spokesman for the office, which carries out some of the world's most extensive research on global change. "But it looks more likely all the time that there has been a definite warming of the globe."

Many climate scientists have predicted that the planet will get warmer as carbon dioxide and other heat-trapping gases increase in the atmosphere. But there has been sharp disagreement about how great that warming will be or when it will first be detected.

Early estimates indicated that average global temperatures will be 4 to 9 degrees Fahrenheit (2 to 5 degrees centigrade) higher by the middle of the next century. Recent forecasts have indicated a warming only half as great. Still, some specialists say, the changes could have significant and largely unpredictable effects on agriculture, development and global economics.

Many of the climate models that predict a long-range warming also suggest that temperatures could become more variable from year to year and within regions or seasons, adding to the difficulty of assessing the importance of data from any one year.

"I think the greenhouse effect began in the 1980s," said Stephen Schneider, a climatologist at the National Center for Atmospheric Research. "But it will take 20 years before it can be proven beyond a doubt. This news is more important circumstantial evidence. If the next decade is cooler than this I'll be very surprised. If it's not, we'll have fewer skeptics than we do today."

Scientists have found it hard to forecast global climate because computers still cannot process enough detailed information to represent in detail such basic influences on climate as the shapes of land and sea masses and the formation and disappearance of clouds.

Save 50% up to 50% or more off your newsstand price when you subscribe.

Receive the IHT every day at your home or office and save up to 50% off the newsstand price, depending on your country of residence.

International Herald Tribune

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please check the subscription term you desire:

☐ 52 extra issues with a 12-month subscription (14 months in all)

☐ 26 extra issues with a 6-month subscription (7 months in all)

☐ My check is enclosed

Please charge my:

☐ Access ☐ Amex ☐ Diners Club ☐ Eurocard ☐ MasterCard ☐ Visa

Card account number

Card expiry date

Signature

Special introductory rates for new subscribers. Please circle the reduced subscription price selected. Valid through March 31, 1990.

Country	Currency	1 year +52 issues	6 mos. +26 issues
Austria	A. Sch.	4,400	2,500
Belgium	B.Fr.	11,000	6,000
Denmark	D.Kr.	2700	1,500
Finland	F.M.	1,760	990
France	F.F.	1,500	830
Germany (mail) *Incl.del.	D.M. D.M.	580 758	320 389
Great Britain	£	140	77
Greece (mail) Incl.del. in Athens	Dr. Dr.	33,000 41,000	18,000 23,000
Ireland	£Irl.	155	85
Italy	Lire	420,000	231,000
Luxembourg	L.F.	11,000	6,000
Netherlands	Fl.	600	340
Norway (air) **Incl.del.	NKr. NKr.	2,000 2,900	1,100 1,400
Portugal	Esc.	29,000	16,000
Spain (mail) ***Incl.del. in Barcelona, Bilbao, Seville ***Incl.del. in Madrid	Ptas. Ptas. Ptas.	32,000 32,000 51,480	17,600 17,600 25,740
Sweden (air) **Incl.del.	S.Kr. S.Kr.	2,000 2,900	1,100 1,400
Switzerland (air) **Incl.del. Bern, Geneva, Lausanne	S.Fr. S.Fr.	455 600	265 330
West Europe, N. Afr., Ex-French Africa, Mid. East	$	470	260
Rest of Africa, Gulf States, Asia	$	620	340
Cent./Latin Amer.	$	540	295

City Country

Tel. Telex 15-1-90

* In West Germany, please contact Foreign Press Service, Gleisstrasse 5, D. 6232, Hochenheim, Taltaus, or telephone (06205) 20 133, telex 465 826. Hand delivery is available in major cities. Rates do not include free issues.
** At these rates, you can get morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Goteborg, Malmö, Bern, Geneva and Lausanne.
*** At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and the next day in Bilbao. For Madrid, hand delivery is available by morning, but without the free issues.

EUROMONEY

Don't miss the January issue!

FREE MICROFILE WHEN YOU SUBSCRIBE

★ **BANKS OF THE DECADE AWARDS** Euromoney's pick of the most successful of the 1980s and the ones to watch in the 1990s

★ Deutsche Bank after Herrhausen

★ Can the US regain competitiveness in international finance?

★ Soviet Bankers start to squabble

★ The new Austro-Hungarian empire

★ The Euro-MTN market needs a kick-start

Complete and return the order form and we'll be pleased to send you the January issue of Euromoney – the leading journal for every financial executive. You can then judge for yourself how useful Euromoney could be to you and your business. We'll also send you an invoice for an annual subscription. If you decide that Euromoney is not for you, simply write 'cancel' on the invoice and return it – you'll owe us nothing. But if you do decide to subscribe we'll be delighted to send you a microfile once we have receipt of your payment. *Euromoney is only available by postal subscription so don't miss this opportunity.*

EUROMONEY ORDER FORM

☐ Yes, please send me a free copy of Euromoney. I understand I will also be sent an invoice for an annual subscription which I can cancel without obligation.

Annual subscription rates (Please tick the rate for your area)

☐ UK £86 ☐ Europe £115

☐ USA/Canada US$226 ☐ Rest of World £165

If you're already familiar with Euromoney and would like to send payment with order please complete the details below:

☐ Cheque enclosed, made payable to *Euromoney Publications PLC*

☐ Amex ☐ Visa ☐ Mastercard

Card No.

Expiry Date

Name

Job Title

Company

Address

Post/Zipcode

Country

Signed

Date

Please return to: Quadrant Subscription Service, Oakfield House, Perrymount Road, Haywards Heath, Sussex RH16 3DH, U.K.

IHT 12

CAREER OPPORTUNITIES

International Institute of Tropical Agriculture
Ibadan, Nigeria

DIRECTOR GENERAL

IITA invites nominations and applications for the position of Director General.

IITA is an international agricultural research institute in a world-wide consortium of 13 centres co-sponsored by the World Bank, Food and Agriculture Organization (FAO) and United Nations Development Program. The Institute has sub-stations and outreach programs in many countries of sub-Saharan Africa. IITA scientists from 45 nations work in partnership with national agricultural research agencies to raise the productivity and income of small-scale African farmers, and thereby to increase food production in Africa.

The Director General is the chief executive officer, headquartered in Ibadan, Nigeria, responsible to an independent Board of Trustees which includes distinguished scientists and leaders from around the world. The Institute has an annual budget of $33 million and it employs approximately 200 internationally recruited and over 1,200 locally recruited staff.

Candidates should have:

- Vision and leadership qualities.
- Successful record of management of science at a high level.
- Extensive international experience, including knowledge of agricultural research.
- Ability to communicate and inspire the loyalty of scientists and administrators of different nationalities and disciplines.
- Ability to command respect at high levels of governments, donors, international cooperation agencies, and scientific associations.
- Energy, initiative and innovative ability.
- Experience in African agriculture would be preferable.

This position provides an opportunity for an experienced leader to contribute to the resolution of one of the most serious problems of international agricultural development today.

Renumeration is competitive and include housing, personal car, assisted education, health insurance and annual home leave travel. The Institute is situated on an attractive 1,000 hectare campus outside Ibadan and has excellent recreational facilities, medical clinic, and school.

Applicants for the position of Director General, are invited to send their curriculum vitae, date of availability and names and addresses of three referees to Trustee Search Committee for the Director General of IITA, c/o L.W. Lambourn & Co. Ltd., Carolyn House, 26 Dingwall Road, Croydon CR9 3EE, England.

SEDCO FOREX
Schlumberger
Oilfield Services

INTERNATIONAL CAREER OPPORTUNITIES

■ SCHLUMBERGER OILFIELD SERVICES is the market leader in the design, manufacture and use of the world's most advanced oilfield technology.

This technical and market leadership offers its employees unlimited career opportunities in all corners of the world.

The SEDCO FOREX Division of SCHLUMBERGER is the world's largest drilling contractor, providing services worldwide for virtually every major oil company.

RISK MANAGER
PARIS HEADQUARTERS

With at least 5 years experience in insurance contract negotiation with specific experience in the energy sector, you will manage the company's efforts to properly insure it's assets (approximately US$1 billion) and liabilities efficiently. You will negotiate new insurance requirements, renewals, and special coverages for a worldwide fleet of drilling rigs.

This position requires an excellent command of French and a BSc or equivalent. Preference will be granted for Charter Insurance Institute and Charter Property Underwriter certifications. Ref. RM/1

ATTORNEY
PARIS HEADQUARTERS

If you are an energetic attorney with a taste for travel and the possibility of foreign residence, the position of LEGAL COUNSEL may well suit you.

We are seeking a bilingual (English and French) attorney with at least 3 years legal experience. Your responsibilities in this corporate environment will include review and negotiation of high value contracts, supervision of litigation and corporate structuring. Ref. AT/1

Reporting to the General Counsel in Paris, you will participate in a variety of international legal issues, working closely with management.

If you are an agressive self starter who needs little supervision and are looking for a real career opportunity, send us your C.V. directly.

Please respond, quoting appropriate reference, to Mr Noël Roche, Personnel Manager - Headquarters.

SEDCO FOREX SCHLUMBERGER
50, avenue Jean-Jaurès
B.P. 599 - 92542 Montrouge Cedex
FRANCE

ADVCOM.

Art & Technique

Subsidiary of CHEMCO Europe Turnover 150 m. dm. Staff 300 with 5% participation of Corporate Engineers & World Processing systems in the press & printing industry

Export Sales Representative

You have a job sales experience and good knowledge of High Tech printing processes or Graphic Arts.
A combined degree and you will deal with each of our EU sales subsidiaries in the elaboration of sales strategy.

Application Engineers

Support us for the application of systems we sell, you will be involved in planning & execution of demonstrations and tests.
You will support these systems in usage of all end users training centers and the international exchange with our different groups.
You have a Graphic Arts background and knowledge of Basic Text processing.

Product Manager

Working in the Marketing Direction, you will be responsible for several marketing projects from market analysis to launching on the market.
Depending on your origin between our subsidiaries, your domain could be very large, you will be the main supplier of our products.
You have a degree in Graphic Arts with a strong experience in computer science.

For each post you have English as the working language.
Please send your application, including the post applied for to CHEMCO Group Personnel Department 1 rue de la Fonderie 68307 SAINT LOUIS

chemco CHEMCO

Position in Multi-Donor Secretariat at World Bank Headquarters:

A. The World Bank is accepting applications for a position in a Multi-donor Secretariat to coordinate the Environmental Action Plan in Madagascar. This position entails working with several International Donors and NGOs to coordinate programs/projects in Natural Resources Management and to accumulate and disseminate information on natural resource issues, projects/programs, policies, and legislation. Specific functions of the position include:

(1) Acting as the focal point for Donor contact with the Malagasy Apex Agencies Coordinating Environmental Action Plan Activities;
(2) Coordinating information in view of action coordination among the Government of Madagascar, local and International NGOs/PVOs, and international bilateral Donors;
(3) Coordinating multi-donor supervisory and review missions led by the World Bank;
(4) Organizing multi-donor coordination meetings on the general progress of the Environmental Action Plan;
(5) Fostering the overall process of environmental awareness in Madagascar;
(6) Organizing appropriate technical resources; and
(7) Fund-raising.

B. This position is funded by the Agency for International Development for a three-year period beginning in 1990. The individual will be housed in the World Bank Headquarters in Washington, D.C. Frequent travel is expected.

C. Applicants should have a Master's (or Higher) degree in ecology or natural resources economics/management and be bilingual in French/English. Previous experience in project management, supervision, parallel and co-financing, and donor coordination is required. Additional qualifications include good verbal communication, data base management, and fund raising (for non-governmental organizations) skills. Some experience designing wildlife protected area conservation projects is desirable. Salary will be commensurate with level of experience.

D. Applicants should submit curriculum vitae and cover letter by January 26, 1990 to Mr. A. Otten, AF3AG, World Bank, 1818 H Street, Washington, D.C. 20433, U.S.A.

EUROPEAN SALES MANAGER

Surgical implants and instrumentation.

Dacomed Corporation, a rapidly growing US-based manufacturer with worldwide distribution of technically innovative urological implants and instrumentation, has an outstanding opportunity for a European-based sales professional.

Responsibilities will include training, motivating, and directing our European network of independent distributor organizations to meet company goals, working with opinion leaders, and analyzing/improving our marketing and sales methods and market share.

The ideal candidate will have a baccalaureate degree in business, 5-7 years field sales or sales management experience selling devices or instruments to urologists and hospitals, proven abilities in market research, competitive analysis, fluency in 2 European languages in addition to English. 75% overnight travel expected.

Excellent compensation package includes salary, commission, car allowance, and standard corporate benefits. To apply, send letter of introduction, C.V. in English and salary history to:

Box D 273
International Herald Tribune,
850 Third Ave., 10th floor
New York, NY 10022, U.S.A.

Impact

Thinking of changing?

AND READY to act? Like many other executives who have reached the higher echelons, you may well find that the career evolution methods you used earlier can no longer produce the result you seek today.

Alain Forgeot and Willet Weeks in Paris, Louis Dubois in Geneva, and their consultants have helped, for the past 13 years, more than 5000 top executives such as yourself enhance their career and, when appropriate, think, mount and conduct a sophisticated search of the hidden side of the international market.

Telephone for a confidential exploratory meeting. We will review your situation and explain if and how we can be helpful to you in achieving your particular goals.

Forgeot, Weeks
PERSONAL CAREER CONSULTANTS

Paris, 50, rue St-Ferdinand, 75017. Tel. (1) 45.74.24.24
Geneva: 9, route des Jeunes, 1227. Tel. 022.42 52.49
Associate offices: London

IHT 11/01/90

Schiller International University

REGISTRAR/DEAN OF STUDENTS required immediately at the West Wickham Study Centre of this independent accredited American University. Familiarity with the American educational system is essential.

Apply with full C.V. and names of referees to:

Campus Director,
Schiller International University,
Wickham Court, West Wickham, Kent, BR4 9HW.
Or telephone: 01 777 8069 for further details.

ADVERTISING SALES REPRESENTATIVE
for
The New York Times

We are seeking an advertising sales representative to be based in our Paris office. The selected applicant will call on clients and agencies in Europe for our Fashion, Accessories, and Home Furnishings categories.

This position requires fluency in French and English. Knowledge of Italian would be helpful. A college degree and two or more years of magazine sales experience is preferred.

We offer an excellent salary plus incentives. If you are interested, please send your resume by January 16, 1990, in confidence to:

Ms. Julia Wang
International Fashion Director
The New York Times
3 Rue Scribe, 75009 Paris
An Equal Opportunity Employer.

COUNTRY MANAGER
FRANCE

Print Technology is an international operation that has developed a unique retail photofinishing concept, featuring the newest generation of fully automated, one-step 35 mm film processors.

We are looking for a Senior Manager to provide in-country presence and handle all business matters related to the French market. Responsibilities will include analyzing business operations for consistency and uniformity of services. You will also work with licensees in developing/implementing retail and merchandising strategies.

This position, which is based in France, requires a minimum of 5 years senior management experience with a multi-national corporation. The ideal candidate will have a background in retail or franchise operations and prior profit/loss responsibility. Proven business management skills (planning, marketing/sales, operations, training, ect.) are essential, as well as fluency in French and English. An MBA or equivalent is preferred.

Qualified candidates are encouraged to send their resumes via facsimile to:

PRINT TECHNOLOGY
Attn: Dept. DT
1849 Centinela Ave.
Santa Monica, CA 90404 USA
Fax: 213-829-9360

OFFICE MANAGER
Paris, France

The branch office of an American firm in Paris seeks a responsible, enthusiastic, completely bi-lingual (French-English spoken and written) Office Manager

Duties will include order processing, customer service calls, daily correspondence, recordkeeping, customer payment collections, and various clerical duties involved in the daily running of the office. Punctuality is a must!

If you are able to think logically, handle difficult sales people, and make the impossible possible, write or FAX to us giving a brief description of your work experience and goals.

HYTORC
DIVISION UNEX CORPORATION
120 Wesley Street, South Hackensack, NJ 07606
Equal Opportunity Employer M-F

International Company, Marketing in Europe, exclusive U.S. garments is seeking for its European warehouse :

BILINGUAL WAREHOUSE MANAGER

Under the guidelines of the financial and administrative director the incumbent will have to:
— Planify and monitor the short-term and long-term development of the warehouse (automation, new racking system, efficiency);
— Supervise the date-today organization of the warehouse (with one floor supervisor and 8 warehouse men);
— Set up control procedures in the area of safety and security.

For a promising candidate, large possibilities of career development. This position is located in Paris Nord II (RER access).

Please write to: **Box D.295, I.H.T.,**
181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.

EXECUTIVES AVAILABLE

Investment Banking

The Managing Director of a European - affiliated Investment Bank in Far East, German, 47, married, wishes to relocate to Western Europe.

A good communicator with a strong analytical disposition and a high degree of international mobility developed in over 15 years in Japan and South-East Asia looks forward to form/lead a team of financial experts in the investment banking field.

Please write to: Box D 296, I.H.T.
181 av. Charles de Gaulle, 92521 Neuilly Cedex, France.

YOU SAW THIS AD

So did nearly half a million well-educated, influential and successful readers.

Shouldn't you too place your recruitment ads in the
INTERNATIONAL HERALD TRIBUNE?

Please contact:

IHT PARIS: 181, Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: 46.37.93.85 (for Classified only). Tlx.: 613595. Fax: 46 37 93 70.
IHT LONDON: Classified Dept., 63 Long Acre, London, WC2E 9JH, U.K. Tel.: 01 836 4802. Tlx.: 262009. Fax: 2402254.
IHT NEW YORK: 850 Third Ave., New York, N.Y. 10022, U.S.A. Tel.: 212-752 3890. Toll free: (800) 572 72 12. Tlx.: 427 175. Fax: 212-755-8785.
IHT HONG KONG: Malaysia Bldg., 7th Floor, 50 Gloucester Road, Hong Kong. Tel.: (5) 8610616. Tlx: 61170. Fax: 852-5-8613073.
IHT FRANKFURT: Friedrichstrasse 15, D-6000 Frankfurt, Germany. Tel.: (069) 72 67 55. Tlx: 416721 IHT D. Fax: 727310.

هكذا من الأصل

El Salvador Detains 9 From Armed Forces In Slaying of Jesuits

By Douglas Farah
Washington Post Service

SAN SALVADOR — A leader of the Roman Catholic Church in El Salvador on Sunday welcomed President Alfredo Cristiani's naming of four army officers and five soldiers as being responsible for the murders of six Jesuit priests, but added that the recent killing of a prominent leftist politician had complicated the nation's fragile peace process.

Mr. Cristiani on Saturday announced the names of those arrested for the Nov. 16 slayings of the priests, their housekeeper and her daughter. They included Colonel Guillermo Alfredo Benavides, commander of the military academy. He is the highest-ranking officer ever arrested in a Salvadoran human rights case.

Héctor Oquelí Colindres, deputy secretary of El Salvador's National Revolutionary Movement, was killed Friday in Guatemala along with Gilda Flores, an official of Guatemala's Socialist Party and a human rights lawyer. The two were on their way to the airport when their car was intercepted and they were abducted. They were found Saturday morning, each shot in the head.

Rightist death squads in El Salvador and Guatemala have often worked together. While few doubt the political origin of the attack, it was not clear which victim was the primary target, or both.

"Now that President Cristiani has publicly named the principal people implicated it increases the possibility of the people beginning to regain confidence in their institutions," said Auxiliary Archbishop Gregorio Rosa Chávez in a Sunday homily.

"But the army has insisted it was simply the work of a group of the military that has stained the honor of the institution," he said. "We find that difficult to believe because we know how misunderstood the work of the church is by the military, especially in the field of human rights."

Archbishop Rosa Chávez strongly condemned the killing of Mr. Oquelí, who had returned to El Salvador in 1987 after seven years of exile. He had frequently acted as a spokesman for El Slavador's small legal leftist parties and had participated in several rounds of negotiations between the government and the Marxist-led insurgency.

Guerrillas of the Farabundo Martí National Liberation Front announced Friday that they would accept a government offer to have UN Secretary-General Javier Pérez de Cuéllar mediate the restarting of peace talks but, following the killing of Mr. Oquelí, said they were reconsidering.

A front communiqué issued Saturday said, "This new crime and the latest events of the case of the Jesuits, in which everything suggests the intellectual authors will not be punished, prompts us to reexamine our offer of dialogue, because we are not interested in helping the fascist regime absolve itself in order to obtain U.S. military aid and proceed with the plan to wipe out all opposition."

■ No Advance Knowledge

Martin Tolchin of The New York Times reported from Washington:

Officials at the Defense and State Departments said Sunday that there was no evidence that a U.S. officer had advance knowledge of the plan to kill the priests in El Salvador.

They declined to identify the officer, or disclose his rank or branch of service. They said that after the killings had occurred, he had heard reports of the involvement of a Salvadoran colonel and had given the information to U.S. authorities who had shared it with the Salvadoran government.

A Defense Department official who said he had read all the cables on the case was asked whether the officer had advance knowledge of the plans to kill the priests. He said, "I have seen absolutely nothing to indicate that that's the case."

A State Department official familiar with the case said when asked about the report, "Nobody knows anything about that at this point." He said that the officer had heard reports, after the killings, of the involvement of Colonel Benavides, head of the military school, who had been arrested along with lower ranking officers and soldiers.

The U.S. officer "understood that that information was already known by the Salvadoran investigators, so he didn't bring it to the attention of U.S. authorities immediately," the State Department official said.

The Pentagon said in a statement, "A member of the U.S. military group in San Salvador reports that in late December he heard a rumor of El Salvador armed forces' involvement in the murders of the six Jesuit priests.

"The officer said that he had reason to believe that this information was already known by the Salvadoran authorities," the statement continued. "He has since provided a written statement, and that information has been passed on to the relevant Salvadoran authorities."

S. Lyon/Reuters

A group of women protesting at the Peruvian ambassador's residence in Panama City while U.S. soldiers surround it.

From Peru, U.S. Gets More Than a Protest

By James Brooke
New York Times Service

LIMA — High above the presidential palace in Lima, the flag of Panama flutters next to that of Peru.

"It will stay up there until the Yankee troops get out of Panama," President Alan García Pérez said Friday.

Of the leaders of Latin America's major countries, Mr. García was the only president to go beyond the flurry of protest notes, which expressed regret or condemnation after the December 1989 U.S. intervention in Panama.

He is bluntly and publicly offering the kinds of criticisms made frequently but privately by government officials in Bogotá, Brasília and Buenos Aires.

"By what authority does the United States kidnap citizens and judge them?" Mr. García said, referring to Manuel Antonio Noriega and his associates.

"The invasion was an illegal search of an entire nation," he said, adding, "And what you get from an illegal search is worthless in court."

Mr. García, who leaves office in six months, said that his Latin American colleagues would eventually join him in outspoken opposition to the intervention in Panama.

He said that Latin American public opinion would react negatively in coming months to the "circus" of a trial in Florida of Mr. Noriega — "a barbarian brought before a court of imperial Rome."

Mr. Noriega "will be seen more as a Latin American than as a dictator," Mr. García said, adding, "People are going to have compassion for him."

Before the intervention, Mr. García criticized Mr. Noriega, and *he indicated no change of heart on* Friday. He described the deposed Panamanian leader, who long worked closely with the United States through the Central Intelligence Agency, as "the Frankenstein of the State Department and of the Pentagon."

But Mr. García said that Panama's new government, led by President Guillermo Endara, was also illegitimate.

The fact that Mr. Endara took the oath of office at a U.S. military base "takes away all of his legitimacy," according to Mr. García.

"Once the carnival of the invasion is over, the protests will start, and American troops are not going to solve the internal economic crisis," he said.

Mr. García said that to put Panama's democracy on a solid footing, Mr. Endara should set a date for new elections, and President George Bush should ask the Organization of American States to replace the U.S. troops with an inter-American peacekeeping force.

The Peruvian leader recalled his ambassador from Washington last month and said that he would boycott a summit meeting in Colombia next month. The meeting was to be attended by the presidents of the United States, Bolivia, Colombia and Peru and was intended to promote a joint approach to stem the traffic of cocaine.

Mr. García also said that the U.S. military operation revived dormant U.S. interventionism.

Two recent incidents — the dispatching of U.S. warships to waters off Colombia in the name of drug prevention and the surrounding of the Peruvian Embassy in Panama by U.S. soldiers hunting Mr. Noriega's associates — provoked nervousness in Colombia and Peru before the efforts were abandoned.

"The invasion of Panama has set relations between the United States and Latin America back 30 years," Mr. García said.

"Now Mr. Bush feels backed by North American public opinion to *intervene in Peru's Huallaga* Valley war, in Bolivia's Santa Cruz de la Sierra," he said, referring to two areas that account for about 75 percent of the coca leaves grown worldwide.

But Mr. García said that he favored tracking drug-laden airplanes with radar and stopping *them with a joint interdiction force,* provided an agreement could be reached with his neighbors and with the United States.

"No one wants to be a drug-producing country," he said.

Mr. García said that he was disappointed with Latin America's "lukewarm" reaction to the U.S. intervention in Panama.

Mr. García's ambassador to Panama resigned two weeks ago in protest over his nation's opposition to the intervention.

U.S. May Eliminate Minuteman Missiles

By R. Jeffrey Smith and Molly Moore
Washington Post Service

WASHINGTON — The U.S. Air Force has proposed to eliminate as a cost-cutting move the entire U.S. force of 450 Minuteman-2 intercontinental ballistic missiles, 440 of which carry single nuclear warheads, beginning in its budget for fiscal 1991, administration officials say.

Internal air force documents have estimated that the action, which would eliminate 3.6 percent of the U.S. arsenal of strategic warheads, will save $400 million a year in operating costs at a time when the Defense Department is under pressure to shrink its budget because of public perceptions of a declining Soviet threat.

Officials said the proposed action has been tentatively approved by Defense Secretary Dick Cheney.

The proposed elimination of the Minuteman-2 force depends in part on budget negotiations between the Pentagon and other agencies, officials said, adding that it still could be withdrawn before the president makes his final submission to the Congress on Jan. 29.

The Minuteman-2 missile force is one of the oldest U.S. strategic weapon systems, having been first deployed in 1966. It carries the only nuclear warheads in the strategic missile arsenal with megaton force, equivalent to more than 1 million tons of TNT. The warhead that devastated Hiroshima at the end of World War II had a force equivalent to roughly 15,000 tons of TNT.

The Bush administration has proposed to build and deploy late this decade a new single-warhead missile, the Midgetman, that would be moved from site to site on trucks, rather than deployed in concrete and steel silos like the Minuteman-2. Military officials believe that would make the new missile less vulnerable to preemptive Soviet attack.

In a report to Congress in July, the administration projected that deployment of the Midgetman and another mobile missile, the rail-based MX carrying 10 warheads each, could eliminate the need to retain any Minuteman-2 missiles under a new strategic arms accord with the Soviet Union.

Under a likely accord, "the number of both U.S.- and Soviet-deployed ballistic missiles will be reduced *significantly from current* levels," the report said, adding that the future of the Minuteman-2 force would depend on assessments of the Soviet threat, "budget pressures" and other factors.

The number of U.S. strategic warheads, including weapons such as sea-launched cruise missiles that *the administration wants to exclude* from a new arms accord, may stay at current levels or be increased, however, even without the Minuteman-2.

Besides the Minuteman-2, the present U.S. strategic arsenal includes 1,500 warheads on Minuteman-3 missiles and 500 warheads on MX missiles in silos, 5,312 warheads on ballistic missiles on submarines and roughly 4,800 warheads aboard strategic bombers.

"Given what a future treaty will look like, there really isn't a role for the Minuteman-2," said Robert S. Norris, a nuclear weapons analyst at the Natural Resources Defense Council. "It's an old weapon near *the end of its expected lifetime.*"

U.S. to Go Public on Nuclear Issues

By Keith Schneider
New York Times Service

WASHINGTON — Moving to diminish the secrecy that has governed the production of nuclear weapons since World War II, the Energy Department has announced that it will prepare two studies on the public-health and environmental consequences of its program to clean up and modernize atomic weapons plants.

The action means that for the first time since the weapons industry was established in 1942, issues governing its future will be discussed in open forums.

Among the most important issues to be explored in public is how many weapons plants the United *States needs to produce radioactive* materials for bombs.

Another is whether there are alternatives to rebuilding the 12-state *complex of aged and deteriorated* factories, laboratories and waste dumps. The Energy Department estimates the cost of such rebuilding in the tens of billions of dollars.

James D. Watkins, secretary of energy, said the studies would "serve as useful planning tools," allowing his department and the *public "to assess the systemwide* impacts of broad policy alternatives before irrevocable commitments of resources are made."

Last year, Mr. Watkins announced that the Energy Department would spend more than $20 billion by the end of 1996 to clean up wastes at weapons plants.

One of the environmental studies will assess this program.

The other study will review a plan announced in December 1988 by John S. Herrington, then energy secretary, to repair and modernize weapons plants by 2010.

Legislators who have studied the weapons industry applauded Mr. Watkins's action. They said it would help reduce public mistrust of his department, which since its establishment in 1977 has owned *the weapons complex.*

"The department's decision today provides compelling evidence that this agency, our government's purest creation of the Cold War, may be coming in from the cold," said Representative Les AuCoin, Democrat of Oregon, one of eight lawmakers who urged the Energy Department to conduct the studies in a letter on Dec. 14, 1988.

Cover the whole of Thailand with a $199 air ticket.

1990 is Thai's thirtieth year of operation. And to celebrate our birthday we've got a present for you.

A Discover Thailand Ticket. For just *US$199 you can make four separate flights within Thailand to any of the twenty-four destinations in our network.

And if you want to discover even more of our beautiful country, you can choose up to four more destinations at US$40 per sector.

All we ask is that you use the ticket within a 60-day period between January 1st, 1990 and December 31st, 1990 and that you purchase it before arriving in Thailand. To help you choose which of Thailand's exotic delights to explore, we've even written a Discover Thailand booklet for you to explore first.

So ask your travel agent or nearest Thai office about the US$199 Discover Thailand Ticket. Your money has always gone a long way in Thailand. Now it goes even further.

Thai
We reach for the sky.

Ceausescu Aides Go on Trial This Week

Reuters

BUCHAREST — Public trials of Romania's former leaders begin this week with some close associates of Nicolae Ceausescu facing charges of genocide and economic sabotage.

An official of the National Salvation Committee, the provisional government, said Sunday that the trials would include senior leaders from the Ceausescu era and members of the dictator's fanatical Securitate secret police force.

"The trials will start in the middle of the week," said the press coordinator for the committee, Adrian Sirbu. "They'll be open to the press and the public."

The state prosecutor, Gheorghe Robu, said in a published interview that the major charges would be complicity to commit genocide, creating conditions for genocide, premeditated murder and sabotage of the national economy.

"Please be assured that no one who is guilty will escape responsibility for his actions," Mr. Robu said in the interview, with the *Romania Libera* newspaper.

Some minor figures in the Ceausescu security forces, members of the police militia who attacked demonstrators or army troops that joined the revolution, have already been sentenced to prison terms by a special military court in the district capital of Sibiu in central Romania.

The National Salvation Committee says that the genocide charges to be faced by leading Ceausescu associates relate to massacres and killings during the revolution itself and some 50,000 people executed during Mr. Ceausescu's 24-year rule.

Asked how many people were to be placed on trial, Mr. Robu said, "It is difficult to answer, but it is important that political and administrative leaders of the former dictatorship, members of the Ceausescu family and hundreds of terrorists, all of them under arrest, appear in court."

Another newspaper, Tineretul Liber, reported Interior Minister Mihail Ghitac as saying that about 800 people were under arrest.

These include the two sons and the daughter of Mr. Ceausescu, who was executed with his wife, Elena, by an army firing squad after a two-hour military trial on Dec. 25.

The last of Mr. Ceausescu's children to be arrested, his eldest son, Valentin, was shown on television in handcuffs Saturday night.

Also shown were the No. 3 official in the Ceausescu regime, Emil Bobu; Mr. Ceausescu's bodyguard, Marin Neagoe, and the chief Communist Party ideologist, Dumitru Popescu, who engineered the country's 1971 "cultural revolution" modeled on the one in China.

■ Shift on Banning of Party

Jonathan C. Randal of The Washington Post reported earlier from Bucharest:

Acting President Ion Iliescu has reversed the provisional government's decision to ban the Communist Party and has said the party's future would be decided in a nationwide referendum later this month that would also determine whether capital punishment was reinstituted.

In a television broadcast Saturday evening, Mr. Iliescu said he and other leaders of National Salvation Committee had made "hasty decisions" that put the democratic spirit of the group in an unfavorable light by declaring Friday night that the Communist Party had been outlawed.

The ban on the party had been announced as Mr. Iliescu and other government leaders confronted angry crowds besieging the committee headquarters. They were demanding the ouster of Communist officials participating in the provisional government and the reinstatement of the death penalty.

Mr. Iliescu is a former high-ranking Communist. He was demoted under the Ceausescu regime and then assumed leadership of the group of former officials who declared themselves in control of the government when Mr. Ceausescu was overthrown.

He acknowledged the "weakness" of his administration and said that criticism of it was justified.

He added that he and other key members of the provisional government had considered resigning but had decided to stay on to prevent "chaos and anarchy."

Bolstering the government's physical security, army troops earlier Saturday took up positions around the headquarters of the National Salvation Committee in the former Foreign Ministry building.

But the image of government leaders granting panicky concessions to demonstrators on Friday had been viewed widely on national television, damaging the leadership's credibility and raising questions about its ability to survive until Romania's first free elections since the Communists seized power in 1947.

"The committee is against any leading role of any party," Mr. Iliescu said Saturday. "We are in a dramatic moment because we inherited an extremely difficult decision from the dictatorship. We need patience, wisdom and unity."

He said the national vote on the future of the Communist Party would be Jan. 28. The referendum also will include the question of whether to restore the death penalty, which was abolished by the revolutionary leadership following worldwide criticism of the executions of Mr. Ceausescu and his wife.

There have been nationwide calls to bring back the death penalty by those who feel that any lesser punishment would be too lenient for crimes committed by Mr. Ceausescu's associates as well as by members of his secret police.

In the city of Timisoara, where the revolution erupted Dec. 16, the army took over temporarily from the local leaders in a possible harbinger of wider applications of military rule.

The army takeover apparently was an administrative measure, prompted by the resignation of local leaders.

The army said it would remain in control there until elections for new local officials could be held in about a week.

Romania is unlike other East European countries that cast off two generations of Communist rule in the severity with which Mr. Ceausescu ruled. So totalitarian was his regime that the country has been left without any valid organized institution other than the army.

The revolution has not conferred its legitimacy on the National Salvation Committee, the cultural minister, Andre Plesu, said in an interview.

"Our lack of political culture and experience is terrific," he said.

Reuters

Emil Bobu, the No. 3 official in the Ceausescu regime and one of those under arrest, on Romanian television over the weekend. Mr. Ceausescu's eldest son, Valentin, also was shown, in handcuffs.

Disco Fire Kills 43 In Spain

Deaths Blamed On Toxic Fumes

Reuters

ZARAGOZA, Spain — Forty-three persons were killed when flames and toxic fumes engulfed a discotheque on Sunday in the northeastern city of Zaragoza.

Nearly all the victims, mostly in their 30s and 40s, were overwhelmed by the fumes, which spread quickly through the Flying disco in the city's old quarter.

Officials said the fumes may have contained a highly poisonous substance, hydrocyanic acid. They said there were about 130 persons inside the disco when the fire broke out. The fire was apparently caused by an overloaded electrical system, the officials said.

Survivors said the disco was plunged into darkness soon after the fire started, making it almost impossible to find an exit.

Officials at a hospital said that a woman, thought to be in her late 20s, was seriously ill at the facility.

The government's representative in the region, Carlos Pérez Anadon, said the speed with which victims were overcome suggested that the fumes were highly poisonous. It was not clear how the toxic substance was released.

Hydrocyanic acid, which causes cardiac arrest within minutes of inhalation, "is the kind of gas that is used for executions in gas chambers," according to an official.

The official said that it was also possible that poor ventilation allowed poisonous carbon monoxide to build up rapidly as the flames swept through the cramped quarters of the disco.

The exact cause of the deaths could not be determined until autopsies were carried out on the victims, he said.

Firemen said they found several bodies reclining in armchairs in the disco's basement, indicating the victims were overwhelmed so quickly they could not even attempt an escape.

A waiter at the disco said the fire broke out near the emergency exit, trapping those inside.

"I was the last one to get out," a member of the disco staff said, adding, "It was all over in seconds."

Neighbors, who had complained recently about the noise from the disco, said they were woken up in the middle of the night by screams and banging on walls as people tried to force their way out of the building.

The mayor of Zaragoza, Antonio Gonzalez Trivino, declared three days of official mourning with flags at half-staff in the city.

Relatives gathered outside the city's mortuary to identify the victims.

Ten years ago, 71 persons died in a fire at Zaragoza's Corona de Aragon hotel and 78 died seven years ago in a fire at a Madrid disco, the Alcala 20.

Bulgarians Press for Change

Tens of Thousands in Sofia Call on Communists to Quit

By Glenn Frankel
Washington Post Service

SOFIA — Tens of thousands of protesters gathered here Sunday to demand that Bulgaria's Communist rulers move farther and faster toward democracy in what Western diplomats said was the biggest rally yet held by the freedom movement.

They shouted for the downfall of the Communist Party, chanting "Resign! Resign!" and applauding as speaker after speaker appealed for multiparty democracy, free speech and free elections and the immediate abolition of the 6th Department, Bulgaria's secret police.

The protesters also demanded that full-scale elections be postponed until the fall to give the new opposition parties a chance to organize themselves and campaign on an equal footing with the Communists.

The rally was the first by the opposition since an outbreak of ethnic tensions between nationalist Slavs and members of the Turkish-speaking minority that threatened to derail the process by which Bulgaria is moving slowly from one of Eastern Europe's most rigid and repressive regimes toward democracy.

Observers said the demonstration, which took place in freezing temperatures Sunday afternoon outside Alexander Nevsky Cathedral, was larger than rallies in November and December that drew up to 50,000 people each.

The size of the crowd and the enthusiasm with which they greeted every call for political change and every criticism of the government sent a clear signal that the movement had not been set back by the nationalist demonstrations last week.

"After 10 days of talking about the nationalist problem to the exclusion of everything else, this demonstration refocused attention on other issues and especially on the economy," a Western diplomat said. "They're re-establishing the political agenda and telling the regime, 'We're still here.' "

Bulgaria has been traveling an uncertain path toward democracy since Todor Zhivkov, the aging leader who ruled for 35 years, was forced out two months ago. The new Politburo is led by Petar Mladenov, who served in Mr. Zhivkov's cabinet for 18 years, but who says he is committed to democratic pluralism and to a free-market economic system.

Mr. Mladenov's cabinet consists solely of Communists and allies from the Agrarian Party, a longtime Communist puppet. Other political organizations remain technically illegal and have yet to be granted such fundamental rights as their own newspapers, party headquarters and free access to state-controlled television and radio.

Speakers at the rally asserted that the Mladenov government was moving too slowly and practicing "Zhivkovism without Zhivkov."

"Everybody now says they're opposed to Todor Zhivkov, even his own people — but they're still riding in their Mercedes," said Petar Beron, vice chairman of the Union of Democratic Forces, a coalition of a dozen opposition groups that poses the biggest threat to Mr. Mladenov's government and that organized the rally.

"We won't let them ruin our lives as they did for decades," declared Mr. Beron, as the crowd chanted, "Never again! Never again!"

The first test of the new government's commitment was expected on Monday when the National Assembly was to be asked to repeal Article 1 of the Bulgarian Constitution, which guarantees the Communist Party its leading role in government and the economy.

Mr. Mladenov is committed to the repeal. But the opposition also wants the assembly to repeal another paragraph in Article 1 that declares Bulgaria a socialist state ruled by workers and peasants.

"All of it! All of it!" chanted the the crowd, demanding full repeal of Article 1.

The demonstrators called on Sunday not only for the security police to be dissolved, but also for all dossiers to be turned over to their subjects.

Speakers accused local Communist officials of inflaming ethnic hatred between Slavs and Turks to stall the democracy movement and preserve their own power.

Mikhail Mikhailov, a physician from the province of Haskovo, scene of some of the largest ethnic protests, said that party bosses there, including the mayor and the police force, had organized anti-Turk demonstrations, provided buses and megaphones and even forced workers to leave state-run factories to participate.

"They were trying to destroy the unity of the Bulgarian people," he said.

Dusan Vranic/The Associated Press

Ethnic Turks, among the demonstrators in Sofia calling Sunday for broader steps toward democracy.

Other Parties Are Possible, Gorbachev Says

New York Times Service

VILNIUS, U.S.S.R. — In his most conciliatory comments to date on the prospect of a multiparty system, President Mikhail S. Gorbachev has said that ending the Communist Party monopoly on power in the Soviet Union would not be a "tragedy."

Mr. Gorbachev was speaking Saturday at the end of a tense, three-day visit to Lithuania, where, despite warnings from Moscow, the legislature legalized rival political parties and where the Communist Party declared itself independent of the national party in Moscow.

"I don't see any tragedy in a multiparty system if it arises and actually answers the interests of society," Mr. Gorbachev said.

"We should not be afraid of it, the way the devil is of incense," he said, but added that a multiparty system "should not be artificially imposed."

Mr. Gorbachev has strongly opposed efforts to end the Communist Party's constitutionally guaranteed domination, arguing that the party is the only force capable of uniting the country in a period of political and economic crisis.

A Party Is Reborn In East Germany

Reuters

BERLIN — East Germany's Social Democrats, revived with their traditional name after four decades, said Sunday they favored German unification but only if neighboring countries agreed.

At their first congress, the Social Democrats also pledged to beat the Communists in May's elections and then form the next coalition government with other opposition groups.

"We want German unity only with the agreement of all our neighbors," said a resolution passed overwhelmingly by the 440 delegates at an East Berlin conference hall.

"Their borders are inviolable," it added.

The party said the initial aim would be monetary and economic union with West Germany. Unification could follow only as part of the process of democratic and economic renewal in Europe.

The leader of the West German Social Democrats, Hans-Jochen Vogel, one of several top members of his party to address the meeting, said: "A Social Democratic Germany would be a good neighbor."

His party, the main opposition force in West Germany, would help the East German party to fight the country's first free elections in May through a joint committee that would give tactical advice and provide speakers, such as Willy Brandt, a former chancellor.

To show it would not be a one-way street, the leading East German Social Democrat, Steffen Reiche, said: "If we win, then our sister party will win in the West."

West Germany votes in general elections in December.

In the afternoon, 30,000 people attended a Social Democrat rally in East Berlin's main square, the Alexanderplatz. Many of them carried banners and flags with slogans such as "United German Fatherland — No Voice for the Communists".

Mr. Vogel hailed the East German party's decision to adopt the traditional name Social Democratic Party of Germany, the same title carried by his own movement. The party was founded in 1869 in Eisenach in what is now East Germany.

By switching to the name, the East German Social Democrats revived a name that disappeared when they were forcibly amalgamated with the Communist Party.

The party ruled out working with the Communists after the elections and also rejected as unserious an offer from Prime Minister Hans Modrow to work in the present coalition.

GORBACHEV: *Confrontations, but No Converts*

(Continued from page 1)

gress of People's Deputies. "We are an occupied land. Only now can we say it, of course, but we have never considered ourselves a genuine part of the Soviet Union. That is something Gorbachev does not quite understand. We wish his perestroika well, but the time has come for us to go our own way."

The Baltic states came under Soviet control as part of Stalin's prewar treaties with Hitler. Although the Congress of People's Deputies has condemned the secret protocols of the 1939 Molotov-Ribbentrop Pact, which led to the annexation, the Communist Party leadership insists that there is "no connection" between the treaty and "present political realities."

For Lithuanians, however, a sense of human and historic loss looms over those "present political realities." Between 1940 and 1949, historians estimate that nearly a half million Lithuanians were deported from their homeland and tens of thousands were executed.

It is no accident that the Baltic states have taken up Mr. Gorbachev's perestroika and become the regional avant-garde of change. The Baltic states, which experienced two decades of independence between the two world wars, have a far richer historical memory of non-Communist politics than any other region in the country.

Nearly every week in the Baltics features an attempt to create a future by recalling the past and looking westward. Last week, in the Estonian city of Tartu, representatives from Sweden, Finland, West Germany, France and Britain helped Estonians establish a Social Democratic Party.

Many Communists, including the Popular Front leader, Marju Lauristen, turned in their party memberships to join the Social Democrats. Lithuania will hold multiparty legislative elections on Feb. 24.

Mr. Gorbachev knew before coming here that Lithuania's political climate bore little resemblance to the Slavic republics, and that popular opinion was heavily in favor of outright independence. But hearing the Lithuanians directly seemed to throw him off balance.

At an emotional encounter with Lithuanian intellectuals Thursday night, Mr. Gorbachev said: "Well, what is it then, do you really want to secede?"

"Da!" came the resounding answer.

After a pause, Mr. Gorbachev said: "Well, then, at least now the country knows where you stand."

Mr. Gorbachev has not ended his campaign to keep Lithuania within the union. At the end of January, the Communist Party Central Committee will hold an extended plenum, considering issues of change within the party including discussion of the Lithuanian party's decision last month to split with Moscow.

Also, at one point in his trip, Mr. Gorbachev said that while he was adamantly against secession, the government was now drafting a law on how a republic could go about splitting from the union.

BAKU: *Moscow Sends in Troops*

(Continued from page 1)

emergency committee signed up volunteers to defend Armenians in Azerbaijan.

A similar mobilization of the population was under way on the Azerbaijani side of the border, where women and children were reported to have blocked roads leading to Armenian areas in order to keep the army from getting through. Mr. Slyunkov told Armenian activists in Yerevan that 100 Interior Ministry parachutists had been dropped into the tensest areas.

In Moscow, there were radio reports that armed Armenians were being flown into the region north of Nagorno-Karabakh in unmarked helicopters and were trying to cut roads leading to Armenian villages. About 20,000 Armenians are believed to remain in the area after a mass exodus last year.

The armed forces newspaper Krasnaya Zvezda reported Sunday that Azerbaijani militants were forming armed units, each with its own flag. The daily Sovietskaya Rossiya reported that the region looked like a "war zone."

At least 150 people have died during two years of clashes between Armenians and Azerbaijanis over Nagorno-Karabakh. Moscow, unable to halt the bloodshed, took the province under direct rule last year. But the Kremlin handed it back to Azerbaijan in November after having failed to resolve any underlying problems.

DATA: *U.S. Awash in Flood of Soviet Information*

(Continued from page 1)

towns. What has happened now is that all the roads just went off our maps."

He and other officials agreed to be interviewed only if they were not identified, and some required that their agencies not be named as well. They include some of the government's leading analysts of Soviet and East European issues.

The analysis is concentrated at the CIA, the Defense Intelligence Agency, the National Security Agency and the State Department's Bureau of Intelligence and Research.

In a community of intelligence experts that dissects everything from nuclear strategy to sugar-beet harvests, the Sovietologists are the kings of the hill. The pressure to analyze events accurately, a former government official said, is enormous, not just because of the implications that a serious error carries but because of the prestige at stake.

Analysts and other officials bristle at suggestions that their work has been seriously deficient. But even so, officials agree that analysts missed cues that would have pointed more urgently to the political turmoil in Eastern Europe today.

Well before 1980, they said, intelligence experts were issuing overly rosy estimates of growth in the Soviet economy. They also played down reports from Soviet émigrés of growing social and political unrest.

An official said it became apparent to analysts in 1987, when Mikhail S. Gorbachev, the Soviet leader, began pressing political restructuring, that "all the props were getting knocked out from under the regime" and that basic changes were inevitable.

But even then, experts believed that the response would be evolutionary.

"Anyone who would have written about East Germany's disintegration a year ago would have been laughed out of the government," another senior expert on the Kremlin said. "We were totally surprised."

Officials also agree that the intelligence experts suffered from another problem during much of the 1980s: inexperience. At the CIA, the largest analysis center, three-quarters of the analysts employed in 1985 were hired in the preceding five years, a senior administration official said.

The new information flowing out of the Soviet Union is stunning in its breadth and complexity, experts say, but ragged in its quality and usefulness. Assembling it, and deciding what needs more study, is a monumental job in itself.

Examples abound: Moscow recently released the first figures since 1928 on suicide in Soviet Union, an important indicator of social stability.

It also may be possible soon to subscribe to regional newspapers throughout the Soviet Union, a prospect eagerly awaited in part because it would provide local officials' versions of political meetings they attended on trips to Moscow. Such reports are available infrequently and are often dated when they are received, an official said.

Military experts on arms-control missions inside the Soviet Union return with firsthand observations on Soviet defenses and technology, just as Soviet observers do in the United States. So do business executives and tourists who now can visit areas and people that government officials cannot easily see.

"What we've done is to look at alternative means of collection that weren't previously given the same importance," the director of the CIA, William H. Webster, said.

Back-room insights into Soviet politics are still nonexistent; like their predecessors 20 years ago, disgraced Soviet officials still resign for "health reasons." And understanding the jockeying within the ruling elite, analysts say, remains an art akin to reading tea leaves.

"Why doesn't someone sign an obit for Sakharov?" one asked after the death in December of Andrei D. Sakharov, the Soviet dissident. "Here's Pravda from Dec. 16. Ligachev didn't sign it.

"Why? Maybe he didn't like him. We don't know."

SPY: *Trial Is Reported*

(Continued from page 1)

institutes and had expertise in many subjects."

The diplomat was reported as saying that he had managed to outwit the KGB, destroying its evidence with deception and patience. Only when the KGB managed to decode his radio transmissions was Donald caught. Fatigue also caused the diplomat to become sloppier in his trade, Pravda said.

Pravda said that Donald, who was told to use the code name "607 Madison Avenue" to let the U.S. agents know if he was in trouble, often communicated with his handlers through messages in The New York Times, such as "Moody. Donald F. Please write us like you said you would. Uncle Charles and Sister Clara are alright."

The newspaper said that the diplomat was recruited in 1961. When he was transferred to the Soviet Embassy in Rangoon, there was a message for him in The New York Times: "I was extremely glad to learn that you were lucky. I'll visit soon."

In India, a CIA agent, named John Dillon, gave Donald sophisticated surveillance and transmission equipment, Pravda said.

In the past few years, the KGB chief, Vladimir A. Kryuchkov, has waged a public-relations campaign to "normalize" the image of the Soviet secret services and has regularly granted interviews. The weekly newspaper Argumenty i Fakty often prints a column, which is called "The KGB Announces..." The column describes various "dangers to national security."

— DAVID REMNICK

Turkey Reduces Euphrates' Flow

Compiled by Our Staff From Dispatches

SANLIURFA, Turkey — Prime Minister Turgut Ozal has initiated a complex hydroelectric project by pushing a button that started the filling of a reservoir near Ataturk Dam but also cut the flow of the Euphrates River to Syria and Iraq.

During the monthlong stoppage, Syria and Iraq will get about one fourth of their normal flow from the tributaries of the Euphrates, the 2,360-kilometer (1,460-mile) river that for centuries has been the region's lifeblood. *(AP, AFP)*

Actress Slashed on Face In Manhattan Assault

New York Times Service

NEW YORK — Two people, one of them the actress Viveca Lindfors, were slashed on the face within minutes of each other in separate incidents over the weekend, apparently by members of a group of young people roaming the Greenwich Village area of Manhattan, the police said.

Ms. Lindfors, 69, was taken to a hospital where 28 stitches were needed to repair her left ear. She also suffered bruises on her face. About five minutes earlier and three blocks away, Dennis Beale, 36, of Manhattan, was slashed from his right ear to his chin. Police said they believe the same group was responsible for both slashings.

Fire Ruins Iran Caviar Plant

Agence France-Presse

TEHRAN — One of the largest factories for processing Iranian caviar, situated on the Ashuradeh Peninsula in the northeast of the country, has been destroyed in a fire, the Ettela'at newspaper reported Sunday.

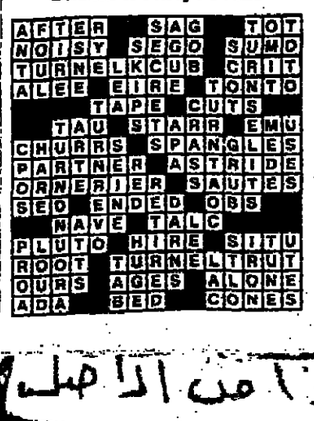
ACROSS

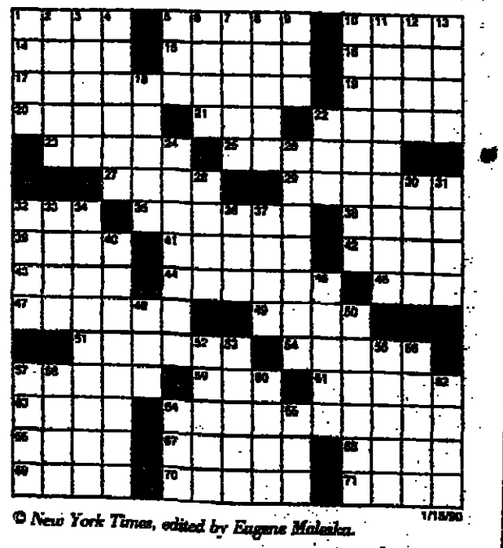
1 Comedian Bob —
5 Comedian Byron —
10 "But thou art — ready to pardon . . ." Neh. 9:17
14 Actor Richard —
15 Coronet
16 Custody
17 Master of slapstick and pathos
19 He, to Hadrian
20 Type of TV show
21 Confirmation reply
22 Harmonica player Larry —
23 Ancient Chinese
25 Eye part
27 Fitzgerald of songdom
29 Beaver State
32 Track circuit
35 Savors
38 Mets' territory
39 Ardor
41 Halts
42 Tennis units
43 Thurmond of N.B.A. fame
44 Impede
46 Cheer
47 Beginning, to Burns
49 Jack-in-the-pulpit, e.g.
51 "Ernani" and "Orfeo"
54 Trap
57 Ring-shaped coral island
59 Caviar
61 Elba or Sicilia
63 "Oh, My —," Fisher hit
64 Master of insult humor
66 Hot times in Paris
67 Last Greek letter
68 Shade trees
69 Skin. Comb. form
70 Comedian Jackie — —
71 "Let George —"

DOWN

1 Mister, in Germany
2 S-shaped moldings
3 Chaplain, to a G.I.
4 Guarantee
5 Mischievous Olympian
6 Calla —
7 Subsequently
8 Irregular
9 Fabray, to friends
10 Quality of being sour
11 Comedian featuring inventive props
12 Heraldry border
13 Venison source
18 Genuflected
22 Atmosphere
24 Swordsman
26 Quoits players
28 Movie barker
30 Mountain chain in Greece
31 Old car or poet
32 Comedian Jay —
33 Comedian King
34 Master of Italian mimicry
36 Comedian Dreesen
37 Pkwy of pitching fame
40 Abnormal tissue growth
45 Mystical
48 Comedian Brooks
50 Disguised
52 Fragrance
53 Loudness units
55 Viking chieftain
56 Oleoresin used in incense
57 Imitated
58 London art gallery
60 Therefore
62 Vice prin., e.g.
64 Comedian DeLuise
65 Author Fleming

Solution to Friday's Puzzle





© New York Times, edited by Eugene Maleska.

1/15/90

هكذا من الأصل

New Int
Compiled by Lauren
Issuer
Floating Rate
Bradford & Bingley Building Society
Fixed-Coupons
Chubu Electric Powe
Electricité de France
Euro Credit Card Trust 1990/1
Fuji Int'l Finance (Australia)
Japan Development Bank
UBS Finance
European Investment Bank
Interfinance Crédit National
WGZ Int'l Finance
Alliance & Leicester Building Society
European Investment Bank
Johnson & Johnson
Abbey National Treasury Services
NTT
Credit Suisse Finance (Guernsey)
Federal Business Development Bank
Finnish Export Credit
Barclays Australia Int' Finance
GMAC Australia Finance
Swedish Export Credi
Telecom Corp. of New Zealand
Overseas Finance
Equity-Linked
Daiwa Bank
Daiwa House Industr
Graphtec
BONDS
Issues for
(Continued from first
million) of zero-cou
sued by Crédit Suiss
Co-managers wail
could find no interes
dollar paper. CSFB
that it too saw no reta
said it found "a broad
tional investors who
their exposure but stil
the Canadian-dollar
The zero-coupon p
investors need put up
385.50 dollars for an i
nominally is worth 1,0
In the past year, Ca
est rates have been
percentage points hig
in the United Stat
spread than usual. Th
lending rate in Can
13.5 percent since las
Banks in U
Downgrad
Rating Age
Reuters
NEW YORK — U
ing agencies downgr
ings of several mediu
on Friday, mainly r
lending exposure.
Standard & Poor'
Friday that it had
about $150 million
Corp. of America's
cured debt to CCC
CCC. It also cut, to th
the rating of the ba
Savings Association
The ratings agenc
lowered MeraBank
ings Bank's subordin
ing to D from CC.
Moody's Investors
had downgraded Or
subordinated debt an
ny's lead bank, Mi
Bank, for long-term
reeing about $80 mil
Moody's also d
Shawmut National
ferred-stock rating
A-2 — as well as its
paper rating.
Shaky
By Floyd N
New York Times
NEW YORK — H
mand firm foundatio
sides of a bridge. Inve
es do not have enginee
Shaky bridge loans
have more than a
Streeters quaking, an
mle in Friday's tumble
stock market.
Rising interest rates
over inflation also play
U.S. producer prices w
to have risen 4.8 perc
the largest annual gain
The interest-sensitiv
utilities average has fa
cent so far in 1990, it
night since the 1987 c
fear that easy takeover
at an end may be the bi
that the Dow Jones ind
ended the week
Points, to 2,689.21.
The most prominent
is the $400 million th
Corp. owes to First B
Webber and Dillon

FROM LAP TOP COMPUTERS

International Herald Tribune
BUSINESS/FINANCE
MONDAY, JANUARY 15, 1990

TO ROOFTOP SATELLITE RECEIVERS
In Touch with Tomorrow
TOSHIBA

EUROBONDS

Pricing Is Key to Success For East European Issues

By Carl Gewirtz
International Herald Tribune

PARIS — Financing for Eastern Europe should dominate international capital market in the next few weeks, with the European Community's executive Commission and the European Investment Bank looking to borrow money to finance lending to the region. Both institutions are expected to tap the market for 500 million European currency units.

The major hurdle they will face in trying to raise such large amounts is overcoming institutional investors' apathy to buying bonds. Professional investors will be looking at short-term ECU deposit rates of 11.25 percent as a more remunerative investment than the 9.8 percent yield that the seven-year EIB and EC paper is expected to offer.

Professional investors will be looking at short-term ECU deposits.

Retail investors, who traditionally buy and hold bonds, are less sensitive to short-term rates than institutional investors, who actively trade their holdings and finance themselves with borrowed money.

Japan's Nippon Telephone & Telegraph was able to tap the market last week, but it sought a relatively modest amount of 150 million ECUs and offered investors a return of 10 percent, minus the full fees of 1.875 percent.

The EIB, meanwhile, set a bad example last week in tapping the Euro-French franc market with 1 billion francs ($175 million) of 10-year bonds that were priced too tightly to attract wide support, analysts said.

The yield of 9.875 percent compared with the 9.96 percent offered by CNT earlier in the week in the domestic market. The EIB bonds, priced to yield 43 basis points over government bonds, should have offered a pick-up over Treasury yields of at least 50 basis points, critics said. Because of the thin pricing, a number of French banks were reported to have turned down the invitation to join the underwriting syndicate.

The EIB fared better in the Deutsche mark sector, where it offered 500 million DM ($296 million) of 10-year bonds carrying a coupon of 8 percent — a level not seen since 1985.

But both the EIB and the European Community would be well advised to look at the approach borrowers in the dollar sector of the Eurobond market have adopted to sell paper at a time when investors show scant appetite for making new commitments. The dollar bonds were priced to offer substantial pick-ups in yields over prevailing levels in the secondary market, enticing investors to sell existing holdings and move into the new issues.

With little new money being committed to the bond market, underwriters say that generous pricing to encourage switching is the only way to distribute new issues.

The largest of the dollar offerings was a $750 million, five-year bond in the name of Euro Credit Card Trust. This is a repackaging of credit-card receivables that Citibank is getting off of its own books. The offering is backed by a letter of credit issued by Union Bank of Switzerland. In essence, the letter of credit protects bondholders in case up to 12 percent of the cardholders fail to repay their debt.

If the deadbeats exceed 12 percent, bondholders would suffer losses. But UBS, which arranged the offering, says that historical experience does not justify worrying about such a high rate of payment failures.

The notes were priced to yield 85 basis points over the yield on comparably dated U.S. government bonds. At a time when yields on five-year bonds in the secondary market stand at about 53 basis points over Treasury rates, the 85 basis points on the triple-A rated Euro Credit offering proved to be an irresistable opportunity for investors.

UBS Finance raised $225 million in 12-year bonds, also priced to yield 85 basis points over Treasuries, and Chubu Electric Power of Japan sold $270 million of seven-year notes at a yield of 95 basis points over the benchmark level.

Electricité de France raised $50 million as a tap onto an existing issue maturing in 1999 carrying a coupon of 9.5 percent. To bring the yield down to current market levels, the paper was priced at a premium, with investors paying $1,043 for paper nominally worth $1,000. Less the underwriting fees, the paper was offered at a spread of 63 basis points over U.S. government yields.

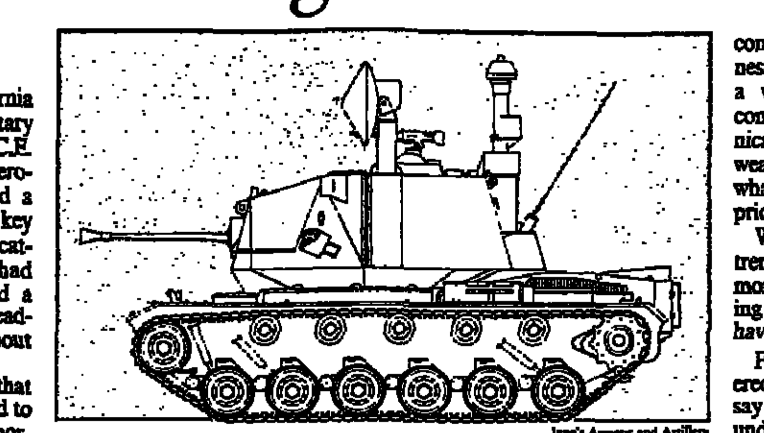
The 1999 bonds started out as a $250 million issue but with repeated taps the amount outstanding now totals $600 million. Institutional investors like large issues as it is easier to trade paper without moving the price of the bonds than in smaller issues.

The Japan Development Bank also tapped the market, paying a spread of 62 basis points, for $150 million for five years.

The mystery in the market was where Credit Suisse First Boston was able to place the 500 million Canadian dollars ($432.6

See BONDS, Page 13

What Went Wrong at Ford Aerospace



Jane's Armour and Artillery

The Sergeant York system typified Ford's problems in defense contracting: if it had gone ahead, it would have lost money.

By Jonathan Weber
Los Angeles Times Service

NEWPORT BEACH, California — Shortly after the U.S. military strike against Libya in 1986, C.E. Grubbs, a manager at Ford Aerospace in Newport Beach, read a newspaper article about the key role that his company's sophisticated bomb-targeting system had played in the raid. He called a friend at Ford Aerospace headquarters in Detroit to talk about the exciting news.

But Mr. Grubbs discovered that not only had the company failed to seize a rare public-relations opportunity, but no one in Detroit was even aware that Ford equipment had been used in the attack.

To Mr. Grubbs, who left the company in 1988, the incident was just another example of Ford's not-so-benign neglect of its aerospace unit, which has $2 billion in sales.

While General Motors Corp. likes to tout the supposed synergy between its Hughes Aircraft unit and the carmaking operations, critics charge that Ford Motor Co. has traditionally paid scant attention to Ford Aerospace, which makes missiles, satellites and other defense systems. Indeed, the huge U.S. car company does not even mention the defense business in its latest financial report.

"At Ford Motor, aerospace was never worth anyone's attention," Mr. Grubbs said. "They've taken an extremely myopic approach to the business."

Now, with the defense industry bracing for huge budget cuts while the auto business heads into a period of intensifying worldwide competition, Ford has decided that it cannot afford to keep the aerospace operation under its wing at all. The company said last week that Ford Aerospace, now based in Newport Beach, is for sale.

The timing, analysts say, is peculiar.

Just 18 months ago, Ford appeared to be signaling a deeper commitment to the defense business with its purchase of BDM Inc., a well-known Washington-area consulting firm that provides technical and professional services for weapons-systems development, for what was viewed as a premium price of $425 million.

With the defense industry retrenching in the face of budget cuts, moreover, even the best-performing aerospace companies might have trouble finding buyers.

Ford Aerospace is not considered a jewel of the industry. Critics say management problems have undermined the company's profitability, and the Aeronutronic tactical weapons unit in Newport Beach is considered to be in particularly poor shape. The satellite and space units are considered to be more attractive, and analysts say it is likely that the company will be sold in pieces, either by Ford or an intermediary.

The appeal of such a strategy might be heightened by the fact that Ford Aerospace's lease on 99 acres (40 hectares) of ocean-view

See AERO, Page 15

Officials to Set Terms of Bank For East Europe

By Steven Greenhouse
New York Times Service

PARIS — Officials from the leading industrial nations and Eastern Europe are to meet here Monday to plan the establishment of an East European development bank in what would be one of the largest regional assistance efforts since the Marshall Plan.

Representatives from 34 nations are expected to agree to put at least $10 billion into the bank, which has provisionally been named the European Bank for Reconstruction and Development in Eastern Europe.

European officials said the bank would be modeled after the World Bank and would provide not only loans but also economic guidance and technical assistance to Poland, Czechoslovakia, Hungary, East Germany, Romania and Bulgaria.

The bank's principal aim will be to help finance the development of the tiny private sector in East European nations as they move toward a market economy.

In addition to making loans, the bank would provide loan guarantees and make equity investments in some enterprises.

French officials said an accord to set up the bank might not be signed until next month. The foreign ministry and finance ministry officials who will meet in Paris on Monday and Tuesday still have to agree on the exact capitalization of the bank as well as its membership and structure.

European officials said the bank might not lend money in the coming 12 months because once the accord is signed, many governments and parliaments would have to approve their capital contributions to the bank.

East European officials are eager for the bank to become operational. They say they lack the money to finance large-scale development of their private sectors.

The European Community has been the principal engine behind the new development bank, with the leaders of the 12 Community nations voting to back a French proposal to form such a bank when they met in Strasbourg, France, last month.

A competition has already developed over where the bank will be based.

Denmark has asked for the headquarters and so has Austria, though it is not a member of the European Community. The French government is pushing for Strasbourg and some West Germans are lobbying for Berlin.

Under the European Community's plan for the development bank, the Community nations would put up slightly more than half its capital and would hold slightly more than half the seats on its board.

European and U.S. officials said there was a provisional agreement for the United States, Japan and the four largest Community nations — France, West Germany, Britain and Italy — each to take an 8.5 percent stake in the bank.

European officials said the Unit-

See BANK, Page 15

China Picks New Leaders at Top Investment Firm

Agence France-Presse

BEIJING — China has shuffled the top management of the biggest state-owned investment agency, naming a former vice minister of the electronics industry as its president.

Wei Mingyi, 66, is taking over as president of China International Trust & Investment Corp., known as CITIC, succeeding Xu Zhaolong, who becomes first vice chairman, according to Chinese press reports on Saturday.

Mr. Wei had been a vice minister of the electronics industry before he joined CITIC in 1985, where he was one of eight vice presidents.

Zhang Xuwu, a vice governor of Jiangsu province on the east coast, has been named a CITIC vice president, while Hong Yuncheng has left the People's Bank of China, the central bank, to become governor of CITIC Industrial Bank.

The shakeup does not affect CITIC's well-known founder, Rong Yiren, who remains chairman. Mr. Rong has been seen several times in recent weeks attending official functions alongside high-ranking Chinese leaders.

CITIC, founded in 1979 with the express support of China's senior leader Deng Xiaoping, has interests in China as diverse as hotels, banking, real estate, heavy industry and defense contracting.

It also owns real estate and banks in Hong Kong; a 12.5 percent stake in Cathay Pacific Airways, Hong Kong's flag carrier; the Portland aluminum smelter in Australia; Canada's Celgar newsprint mill; and steel plants in the United States.

Separately, more than 100 managers in China's southern province of Hunan have resigned recently because of economic difficulties, Beijing's anti-corruption drive or problems with the Communist Party, according to the Daily Press Review.

In an edition published Thursday in Shanghai and received in Beijing on Sunday, the paper said the managers from wholly or partly state-owned businesses had sent in their resignation letters in the last few months, but did not say if they had been accepted.

Among the reasons cited for the resignations were a lack of capital and a fall in production and profits.

An austerity program was instituted in September 1988 and many factories in China have found themselves short of raw materials, spare parts and electricity; some have been unable to honor contracts.

The first bankruptcy of a state-run business was officially reported in December, while last year, about one million small rural businesses closed down.

The Daily Press Review said some managers feared being caught up in the national anti-corruption drive after giving or receiving bribes to try to keep their businesses going. Others have poor relations with the Communist Party, which is represented in every Chinese business.

Beijing to Curb Bank Loans

Reuters

BEIJING — China's state-run banks will reduce loans to nonessential industries as part of an austerity campaign this year, according to Li Guixian, governor of the People's Bank of China.

Mr. Li told a banking conference that defaults were a major problem in industry, according to Chinese press reports over the weekend.

The Economic Daily quoted the central bank head as saying that priority would be given to loans for agriculture, energy, transportation and raw materials. Key large and medium-sized state enterprises and producers of basic consumer necessities will also be favored.

The Xinhua news agency said Mr. Li told the same conference that industry was facing severe financial difficulties.

He suggested that the austerity drive begun by Beijing 16 months ago to check inflation, was the reason for this.

He also repeated previous statements that foreign debt should be put under strict government control, saying that borrowing from foreign sources without authorization was prohibited.

Since the crackdown on pro-democracy demonstrations in China in June and the return of hardline leaders, Beijing has strengthened the position of the party in all strata of life, reintroduced tighter central economic control and boosted the position of large, state-run businesses.

Official figures show that nearly one-quarter of state-run businesses, a key part of the national economy, operate at a loss.

Evidence Grows for Campeau Bankruptcy Filing

Compiled by Our Staff From Dispatches

LOS ANGELES — An overhaul announced by Campeau Corp. last week was largely intended as a prelude to seeking bankruptcy-court protection for its U.S. retail units, a source familiar with the company's plans said, amid growing evidence the Toronto-based concern plans such a move.

The source would not rule out the possibility of a solution to Campeau's problems outside of bankruptcy, but suggested that little hope remained for such a rescue.

His remarks to the Los Angeles Times were among the latest in mounting indications of an imminent Campeau bankruptcy filing — which would be one of the most dramatic collapses in the United States.

A financier who has worked with Campeau said the company's continuing talks with banks on Friday focused exclusively on debtor-in-possession financing — loans extended to companies in bankruptcy. Campeau officials "want to be in a ready position," he said.

A Cleveland lawyer, Richard Pogue, declined to comment on reports Saturday that his firm, Jones, Day, Reavis & Pogue, was preparing bankruptcy papers for Campeau's U.S. retailers, Federated Department Stores Inc. and Allied Stores Corp., which are based in Cincinnati.

The report, in the Financial Post of Canada, quoted a source familiar with the negotiations as saying Campeau's filing was imminent. The Post also reported that Chemical Bank had arranged several hundred million dollars of so-called debtor-in-possession financing.

A Chapter 11 filing would provide time for the department-store companies to stay in business and reorganize without interference from creditors. U.S. bankruptcy law also provides incentives for lenders to provide new credit to companies in Chapter 11.

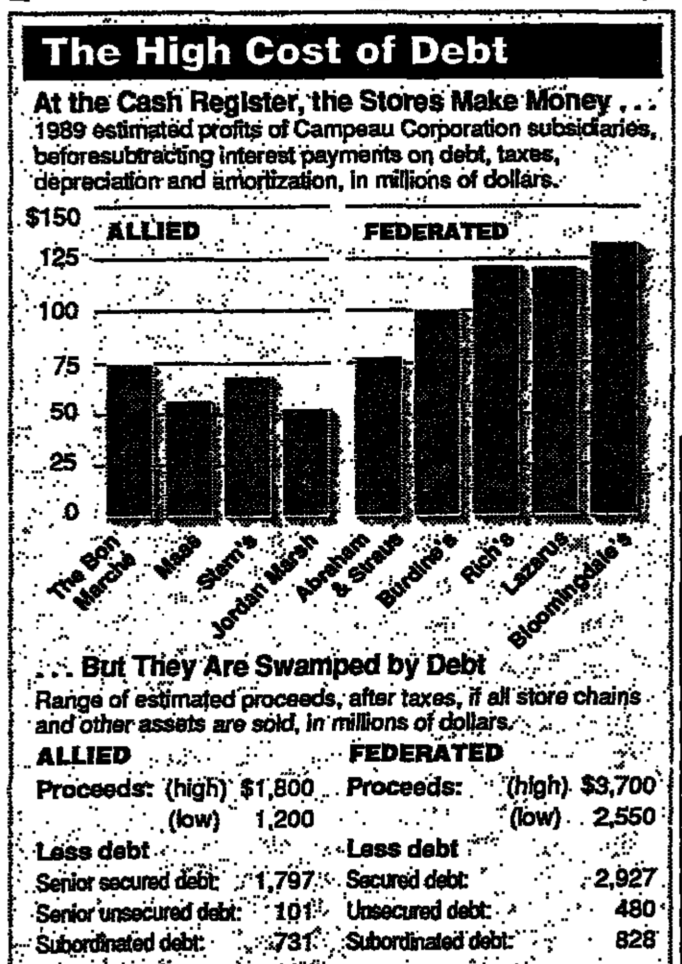
Many apparel makers and others that have cut off shipments to Campeau have suggested that Chapter 11 would be the best way for the retail outlets to gain financing to buy desperately needed merchandise. The flow of merchandise to Campeau stores has slowed as the threat of Chapter 11 grew, and the stores are in danger of having half-empty shelves this spring.

"This past week, we really had very few shipments," said Marvin S. Traub, chairman and chief executive of Federated/Allied's Bloomingdale's chain. But in the next few days, I think it will be rectified." He declined to elaborate other than to say shipments would resume once suppliers became convinced that payments would continue.

Federated and Allied face a Monday deadline for meeting demands imposed by a Citibank-led lending syndicate that is owed $2.34 billion by the stores. But the financial source said bankers could waive the deadline to leave open the chance of working out a new lending agreement.

The financier said the banks mainly are interested in finding out who will be brought in to run Feder-

See CAMPEAU, Page 13



N.Y.'s Trump Considers Tallest Tower for L.A.

By Tom Furlong
Los Angeles Times Service

LOS ANGELES — Donald J. Trump, the brash and controversial developer from Manhattan, has announced plans that likely would lead to the demolition of the historic Ambassador Hotel here as part of a mammoth commercial and residential redevelopment expected to cost more than $1 billion.

Mr. Trump, 43, disclosed his plans at a packed news conference Saturday at the 69-year-old hotel, once an elegant gathering spot for the rich and famous and perhaps best known as the site of Robert F. Kennedy's assassination in 1968. The hotel closed 12 months ago after decades of decline.

Mr. Trump, whose plans to build the world's tallest building in New York were stymied, confirmed that his plans may include construction of America's tallest building — 125 stories — on the hotel site, located on nearly 24 acres in the mid-Wilshire area.

The project would be Mr. Trump's first on the West Coast.

The announcement was only the first step in what promises to be a long and grueling process to get the project approved and built. Mr. Trump estimated the effort could take as long as five years.

His plans are likely to trigger opposition among preservation groups, who do not want the venerable hotel demolished, and Los Angeles education officials, who want the site for a high school.

Mr. Trump claimed the hotel was too run-down to renovate and the property too expensive to use for a school.

A news release from Mr. Trump's company said, "Buildings of architectural distinction and true California style will replace the unsafe and antiquated structures."

Mr. Trump has acquired an interest in Wilshire Center Partners, which bought the hotel property last year for $64 million. The partnership has been renamed Trump Wilshire Associates, with Mr. Trump as the managing partner.

The developer declined to disclose how much he paid for his investment, saying only that it was "substantial amount" that would get larger with time. It is believed, however, that he paid between $12 million and $13 million for a 20 percent interest in the property.

CURRENCY RATES

Cross Rates Jan. 12

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.897	3.1555	1.1277	0.3311	0.1513 *	—	5.375 *	1.2658	1.3034 *
Brussels(a)	35.2825	58.725	20.973	6.1995	2.8134 *	18.604	—	23.576	0.2434
Frankfurt	1.6805	2.797	—	0.2936	0.1336 *	0.8868	4.778 *	1.1225	1.155 *
London (b)	1.6715	—	2.8063	9.5445	2,888.00	3.16	58.765	2.58	242.91
Milan	1,254.50	2,086.15	745.75	219.01	—	661.49	35.566	836.23	8.619
New York(c)	—	1.6605 b	1.687	5.7135	1,252.00	1.892	35.325	1.492	145.675
Paris	5.723	9.5345	3.4052	—	0.4566 *	3.0199	0.1623	3.8206	3.9345 *
Tokyo	145.45	241.135	86.45	25.41	0.1162	76.62	4.1284	96.58	—
Zurich	1.497	2.4993	0.8927	0.2622	0.1197 *	0.7917	4.264 *	—	1.0303 *
1 ECU	1.209	0.7268	2.0336	6.924	1,516.65	2.2983	42.6572	1.8111	175.912
1 SDR	1.321	0.7945	2.2214	7.5651	1,658.30	2.5076	46.6392	1.9789	192.267

Closings in London and Zurich, fixings in other centers. New York closing rates.
a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	1100.0	Fin. markka	3.975	Mex. peso	2682.00	S. Afr. rand	2.5485
Austral. $	1.261	Greek drac.	157.15	N. Zealand $	1.6393	Soviet ruble*	0.6066
Austr. schil.	11.82	Hong Kong $	7.8085	Nig. naira*	5.2995	Span. peseta	109.50
Brazil cruz.	13.228	Indian rupee	16.978	Norw. krone	6.498	Swed. krona	6.128
Canadian $	1.1558	Indo. rupiah	1790.00	Phil. peso	22.00	Taiwan $	25.87
Chinese yuan*	4.72	Irish £	0.6571	Port. escudo	148.28	Thai baht	25.60
Danish krone	6.515	Israeli shek.	1.90	Saudi riyal	3.748	Turkish lira	2289.00
Egypt. pound	2.5832	Kuwaiti dinar	0.29	Sing. $	1.891	UAE dirham	3.67
		Malay. ring.	2.699	S. Kor. won	687.60	Venez. boliv.	44.05

New York rates unless marked * (local rate.)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6540	1.6456	1.6362	Canadian dollar	1.1599	1.1634	1.1671
Japanese yen	145.30	145.15	145.06	Swiss franc	1.4940	1.4923	1.4911
Deutsche mark	1.6799	1.6801	1.6802				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday.

Stock Indexes

United States	Jan. 12	Jan. 5	Ch'ge
DJ Indus.	2,689.21	2,773.25	−3.03 %
DJ Util.	220.70	227.43	−2.96 %
DJ Trans.	1,140.65	1,179.23	−3.27 %
S & P 100	318.66	329.55	−3.30 %
S & P 500	339.93	351.99	−3.43 %
S & P Ind	390.72	404.20	−3.30 %
NYSE Co	188.32	194.53	−3.19 %
Britain			
FTSE 100	2,380.10	2,444.50	−2.64 %
FT 30	1,909.10	1,948.80	−2.04 %
Japan			
Nikkei 225	37,516.00	38,274.00	−1.98 %
West Germany			
DAX	1,855.46	1,820.00	+ 1.96 %
Hong Kong			
Hang Seng	2,835.94	2,839.94	−0.14 %
World			
MSCIP	561.60	571.00	−1.65 %

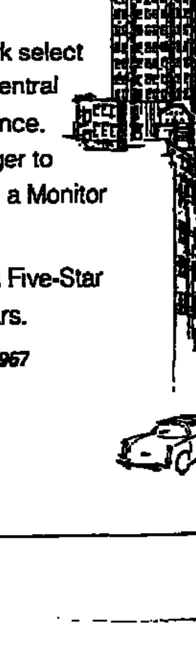
World index From Morgan Stanley Capital Int'l.

Money Rates

United States	Jan. 12	Jan. 5
Discount rate	7.00	7.00
Federal funds rate	8.08	8⅛
Prime rate	10.00	10½
Japan		
Discount	4¼	4¼
Call money	6 15/32	6 13/32
3-month interbank	6 27/32	6 17/32
West Germany		
Lombard	8.00	8.00
Call money	7.70	7¾
3-month interbank	8.30	8.30
Britain		
Bank base rate	15.00	15.00
Call money	15.00	15 1/16
3-month interbank	15 3/32	15⅛

Gold	Jan. 12	Jan. 5	Ch'ge
London p.m. fix $	416.25	405.00	+ 2.78 %

The Carlyle Hotel



Discerning visitors to New York select The Carlyle, one block from Central Park, for its consistent excellence. The solicitous staff is ever eager to please. Each guest room has a Monitor TV, VCR and Stereo.

A proud recipient of the Mobil Five-Star Award for 21 consecutive years.

Member of The Sharp Group since 1967

Madison Avenue at 76th Street
New York 10021
Cable The Carlyle New York
Telex 620692
Telephone 212-744-1600
FAX 212-717-4682

GARTMORE JAPAN WARRANT FUND
Société d'Investissement à Capital Variable

Registered Office: 23, Rue des Bruyères, L-1274 Howald
Grand Duchy of Luxembourg
R. C. Luxembourg B. 23.668

NOTICE of the Annual General Meeting of Shareholders

The shareholders of GARTMORE JAPAN WARRANT FUND are hereby convened to attend the Annual General Meeting of Shareholders to be held at the registered office of the Company on 2nd February 1990 at 11.30 a.m. with the following Agenda:

1. Reports of the Chairman of the Board of Directors and the Auditors.
2. Approval of the Statement of Net Assets as at 30th September 1989, and the Statement of Operations and Statement of Changes in Net Assets for the year ended 30th September 1989.
3. Appropriation of net profits.
4. Discharge of the Directors.
5. Election, re-election of Directors to serve until the next Annual General Meeting.
6. Miscellaneous.

Decisions on the above items require no quorum and may be passed by a simple majority of the votes present or represented.

The holders of bearer shares should deposit their shares at least five clear days in advance of the meeting at Banque Générale du Luxembourg, 27 avenue Monterey, L-1951 Luxembourg, Grand Duchy of Luxembourg.

The Board of Directors.

SHEARSON LEHMAN HUTTON
An American Express company

THE MANAGED CURRENCIES PROGRAM ONE

YEAR 1983 + 14.0%
YEAR 1984 - 9.1%
YEAR 1985 + 235.2%
YEAR 1986 + 21.1%
YEAR 1987 + 89.0%
YEAR 1988 + 217.7%
YEAR 1989 + 47.9%

PERFORMANCE RESULT FOR BEGINNING EQUITY OF
$ 20,000
JANUARY 1st 1989
HAS BECOME
$ 29,588
December 31st, 1989
AFTER ALL COMMISSIONS

NEXT RESULT IN FEBRUARY 15th, 1990 ISSUE.
THERE IS NO MANAGEMENT FEE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

Managed by
Olivier Delafon
Senior Vice President
International

SHEARSON LEHMAN HUTTON
8, rue Bellini
75116 PARIS - FRANCE
Tel.: (33-1) 47-27-20-21
Telex: 640013
Fax: (33-1) 47270471.
(33-1) 47270443

SHEARSON LEHMAN HUTTON
An American Express company

THE MANAGED CURRENCIES PROGRAM TWO

YEAR 1989 + 50.6%

PERFORMANCE RESULT FOR BEGINNING EQUITY OF
$ 20,000
JANUARY 1st 1989
HAS BECOME
$ 30,129
December 31st, 1989
AFTER ALL COMMISSIONS

NEXT RESULT IN FEBRUARY 15th, 1990 ISSUE.
THERE IS NO MANAGEMENT FEE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

Managed by
Olivier Delafon
Senior Vice President
International

SHEARSON LEHMAN HUTTON
8, rue Bellini
75116 PARIS - FRANCE
Tel.: (33-1) 47-27-20-21
Telex: 640013
Fax: (33-1) 47270471.
(33-1) 47270443

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 12.

Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]				

(Continued on Page 15)

New Inte[...]

Compiled by Laurence [...]

Issuer

Floating Rate No[...]

Bradford & Bingley Building Society

Fixed-Coupons

Chubu Electric Power

Electricité de France

Euro Credit Card Trust 1990/1

Fuji Int'l Finance (Australia)

Japan Development Bank

UBS Finance

European Investment Bank

Interfinance Crédit National

WGZ Int'l Finance

Alliance & Leicester Building Society

European Investment Bank

Johnson & Johnson

Abbey National Treasury Services

NTT

Credit Suisse Finance (Guernsey)

Federal Business Development Bank

Finnish Export Credit

Barclays Australia Int'l Finance

GMAC Australia Finance

Swedish Export Credit

Telecom Corp. of New Zealand Overseas Finance

Equity-Linked

Daiwa Bank

Daiwa House Industry

Graphtec

BONDS[...]

Issues for [...]

(Continued from first [...]

million) of zero-coup[...] sued by Crédit Suisse.

Co-managers waile[...] could find no interest [...] dollar paper. CSFB a[...] that it too saw no retai[...] said it found "a broad r[...] tional investors who w[...] their exposure but still [...] the Canadian-dollar m[...]

The zero-coupon pe[...] investors need put up [...] 385.50 dollars for an in[...] nominally is worth 1,0[...]

In the past year, Ca[...] est rates have been a[...] percentage points high[...] in the United State[...] spread than usual. The[...] lending rate in Cana[...] 13.5 percent since las[...]

Banks in U.[...] Downgrade[...] Rating Age[...]

Reuters

NEW YORK — U[...] ing agencies downgr[...] ings of several mediu[...] on Friday, mainly re[...] lending exposure.

Standard & Poor's [...] Friday that it had [...] about $150 million [...] Corp. of America's [...] cured debt to CCC[...] CCC. It also cut, to th[...] the rating of the ba[...] Savings Association u[...]

The ratings agency [...] lowered MeraBank [...] ings Bank's subordina[...] ing to D from CC.

Moody's Investors S[...] had downgraded On[...] subordinated debt an[...] ny's lead bank, Ma[...] Bank, for long-term [...] fecting about $80 mill[...]

Moody's also d[...] Shawmut National [...] ferred-stock rating — [...] A-2 — as well as its [...] paper rating.

Shaky [...]

By Floyd N[...]
New York Times [...]

NEW YORK — E[...] mand firm foundatio[...] sides of a bridge. Inve[...] ers do not have enginee[...]

Shaky bridge loans [...] have more than a[...] Streeters quaking, an[...] role in Friday's tumbl[...] stock market.

Rising interest rate[...] over inflation also pla[...] U.S. producer prices w[...] to have risen 4.8 perc[...] the largest annual gai[...]

The interest-sensitiv[...] utilities average has fa[...] cent so far in 1990, i[...] night since the 1987 [...] fear that easy takeover[...] at an end may be the b[...] that the Dow Jones in[...] age ended the week [...] points, to 2,689.21.

The most prominen[...] the $400 million th[...] Corp. owes to First B[...] Webber and Dillon [...]

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Bradford & Bingley Building Society	£ 50	1994	1/16	99.80	—	Over 3-month Libor. Callable at par in 1992. Fees ¼%. Denominations £10,000. (Credit Suisse First Boston.)
Fixed-Coupons						
Chubu Electric Power	$270	1997	9	101⅛	99.73	Noncallable. Fees 1⅞%. (Nomura Int'L)
Electricité de France	$ 50	1999	9½	104.30	—	Noncallable. Fees 0.35%. (J.P. Morgan Securities.)
Euro Credit Card Trust 1990/1	$750	1995	9	100.05	100.00	Noncallable. Fees 0.30%. (UBS-Phillips & Drew Securities.)
Fuji Int'l Finance (Australia)	$100	2000	9.10	102	—	Callable at par in 1995. Fees 2%. Denominations $50,000. (Fuji Int'l Finance.)
Japan Development Bank	$150	1995	8⅝	101½	99.67	Noncallable. Fees 1⅞%. Denominations $10,000. (Mitsubishi Finance Int'L)
UBS Finance	$225	2002	9⅛	100⅝	100.55	Noncallable. Fees ⅝%. (UBS-Phillips & Drew Securities.)
European Investment Bank	DM 500	2000	8	101⅜	100.20	Noncallable. Fees 1⅝%. (Deutsche Bank.)
Interfinance Crédit National	DM 100	1992	8	101¼	99.75	Noncallable. Fees 1¼%. (Bayerische Vereinsbank.)
WGZ Int'l Finance	DM 150	1992	8	101	99.25	Noncallable. Fees 1¼%. (Trinkaus & Burkhardt.)
Alliance & Leicester Building Society	£ 50	1996	11¼	104.719	—	Noncallable. Fees 1⅞%. (J.P. Morgan Securities.)
European Investment Bank	FF 1,000	2000	9⅝	101⅝	99.88	Noncallable. Fees 1⅞%. (Crédit Commercial de France.)
Johnson & Johnson	ITL 100,000	1993	12⅝	101.45	100.10	Noncallable. Fees 1⅝%. (Istituto Bancario San Paolo di Torino.)
Abbey National Treasury Services	ECU 50	1991	12	101.95	100.45	Noncallable. Fees 1%. (Deutsche Bank Capital Markets.)
NTT	ECU 150	1995	10	101⅞	100.05	Noncallable. Fees 1⅞%. (Swiss Bank Corp. Int'L)
Credit Suisse Finance (Guernsey)	C$ 500	2000	zero	38.55	37.05	Yield 10.19%. Noncallable. Proceeds C$190 million. Fees 1½%. (Credit Suisse First Boston.)
Federal Business Development Bank	C$ 125	1992	11½	101⅞	100.58	Noncallable. Fees 1⅝%. (Credit Suisse First Boston.)
Finnish Export Credit	C$ 100	1993	11⅜	101.65	100.30	Noncallable. Fees 1⅝%. (Bankers Trust Int'L)
Barclays Australia Int'l Finance	Aus$ 75	1993	15	101⅞	100.13	Noncallable. Fees 1½%. (Barclays de Zoete Wedd.)
GMAC Australia Finance	Aus$ 75	1993	15¼	101⅜	99.88	Noncallable. Fees 1½%. (Deutsche Bank Capital Markets.)
Swedish Export Credit	Aus$ 300	2005	zero	17.825	16.78	Callable and redeemable at 54.763 in 2000. Proceeds Aus$52.7 million. Fees 1⅝%. (Hambros Bank.)
Telecom Corp. of New Zealand Overseas Finance	NZ$ 50	1993	14	102	100.50	Noncallable. Fees 1½%. (Fay, Richwhite.)
Equity-Linked						
Daiwa Bank	$100	1995	open	100	98.50	Semiannual coupon indicated at 3½ to 4%. Noncallable. Convertible at an expected 5% premium. Fees 2½%. Terms to be set Jan. 18. (Nomura Int'L)
Daiwa House Industry	$800	1995	open	100	100.00	Coupon indicated at 3¼%. Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set Jan. 17. (Nomura Int'L)
Graphtec	$100	1994	2¼	100	107.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 3,670 yen per share and at 146.65 yen per dollar. Fees 2¼%. (Daiwa Europe.)

Loan Market to Concentrate on Takeover Finance

By Carl Gewirtz

International Herald Tribune

PARIS — Takeover financing is the flavor of the month in the syndicated-loan market.

The largest of the new crop of loans is described as a corporate financing with acquisition overtones — a £1.4 billion ($2.34 billion) facility for Kingfisher PLC, the retailer, which has made a hostile, £568 million bid to acquire Dixons Group PLC, Britain's leading seller of electrical goods.

The three-year credit is targeted for general corporate finance but "can be used" to pay for the takeover if it is completed, said a spokesman for Midland Montagu, which is arranging the fully underwritten facility.

The four underwriters are Midland Bank and Banque Nationale de Paris, each of which has taken on £465 million; Amro Bank, which has taken £250 million, and Toronto-Dominion Bank, with £220 million.

Formal syndication, offering sub-underwritings to other banks,

INTERNATIONAL CREDIT

has not yet begun, though Kingfisher itself is talking to banks with which it has relations.

Interest on the loan is set at a quarterof a percentage point, or 25 basis points, over the London interbank offered rate for the first year and 15 basis points over Libor thereafter. In addition, there is a facility fee of 10 basis points on half the total amount and 15 basis points on the remainder.

The reduction in the interest charge is conditional on at least half the loan being canceled by the end of the first year.

Also in the works is a £300 million loan for Fletcher Challenge Ltd. of New Zealand, which is acquiring U.K. Paper PLC.

In the dollar sector, Eemland Management Services BV, a Dutch company that plans to change its name to Swedish Match, will be seeking $400 million to finance its purchase of the consumer-products subsidiary, named Swedish Match, from Stora Kopparbergs Bergslags.

The new company is 25 percent owned by Morgan Capital Corp. and 23 percent owned by the British subsidiary of Gillette, the Boston-based company that dominates the world market for shaving gear. The rest of the equity is owned by Swedish institutions, with management of the company having a 1 percent stake.

The $400 million loan of senior debt to the new entity will represent a debt burden relative to equity and quasi-equity of 3-1 and a pure debt-equity ratio of 10-1. That compares to a ratio of 0.5-1 for a company having a high double-A credit rating.

In light of this relatively risky burden, interest on the five-year loan is set at 2 percentage points over Libor. The quasi-debt is made of up of $69 million in subordinated debt that has been raised through a private placement arranged by J.P. Morgan, which is organizing the financing.

Gillette's involvement is being challenged by the U.S. Justice Department, because the acquisition includes Wilkinson Sword, a competitor of Gillette. To avoid such complaints from European officials, the purchase does not include the EC operations of Wilkinson, and Gillette may be able to shake off American complaints by selling the U.S. operations.

Midland Montagu has arranged a $750 million loan for News International PLC and guaranteed by its parent, News Corp. The credit will in part be used to help another of the parent company's units, Harper & Row of the United States, finance the $455 million acquisition of Scott Foresman Co., a U.S. publisher of schoolbooks, from Time-Warner Inc.

Elsewhere in the market, three rival bank groups are bidding for the mandate to arrange a $1.2 billion project loan for Aluminum Bahrain to finance construction of a new plant. The operation will not be guaranteed by Bahrain, which will be committed to buying a fixed amount of the output. The financing is expected to include a $560 million loan running for 10 to 12 years — the longest ever arranged for Bahrain.

Also in the market is a $500 million credit for NZI Corp., the New Zealand-based insurance and banking group, and guaranteed by its British parent insurance company, General Accident Fire & Life Assurance Corp. The three-year credit consists of a $300 million facility to back the sale of commercial paper and a $200 million loan for the Australian subsidiary of NZI.

The annual fee on the backup facility is 10 basis points, with interest on drawings set at 10 basis points over Libor and rising 7½ basis points if more than half the amount is drawn. Interest on the term loan is set at 22½ basis points for the first two years, rising to 25 basis points in the final year.

In Asia, Thai Airways International Ltd. has appointed Sanwa Bank of Japan to arrange a 12-year loan of $96 million to finance the purchase of new aircraft.

Industrial Credit & Investment Corp. of India has appointed Bank of Tokyo to arrange a $50 million, seven-year loan, with interest set at 25 basis points over Libor. Banks underwriting $10 million will earn a front-end fee of 30 basis points.

Rates Surge in Bond Sell-Off

Compiled by Our Staff From Dispatches

NEW YORK — Interest rates on long-term Treasury bonds rose sharply last week as the market tumbled on Friday because of foreign selling and a report of higher-than-expected U.S. wholesale inflation during December.

The yield on the benchmark 30-year bond rose to 8.17 percent as trading ended Friday, up from 8.06 percent the previous week. The issue's price dropped to 99 14/32 from 100 23/32. The yield was the highest since shortly before the stock market plunged on Oct. 13.

Much of the decline came Friday, when the long bond lost about 20/32 of a point. Selling began before the New York market opened as Japanese and European institutional investors were heavy sellers of securities issued in the United States and their own markets.

A sharp rise of seven-tenths of 1 percent in the Producer Price Index for December also put pressure on bond prices. The increase resulted in fears about inflation and reduced the likelihood that the Federal Reserve Board would ease credit.

But in the short-term credit markets, the federal funds rate ended slightly lower. The rate, charged on overnight interbank loans and subject to influence by the Fed, ended at 8.08 percent, down from 8.125 percent the previous Friday.

Some analysts said the inflation numbers were boosted by an increase in heating-oil prices and that the Fed would discount this and push rates lower.

Other short-term rates were mixed. Six-month Treasury bills ended Friday at a discount rate of 7.44 percent of face value, down

U.S. CREDIT MARKETS

from 7.46 percent the week before, cutting their yield to investors to 7.815 percent from 7.85 percent a week earlier. Three-month bills, however, ended trading at a discount rate of 7.48 percent to yield 7.718 percent, up from a return of 7.54 percent a week earlier.

The market overlooked a second Friday economic report, one that held some positive news for bonds. The government said retail sales rose just 0.2 percent in December, a weak showing.

Treasury bonds got a lift earlier in the week after a strong auction of seven-year notes, but the response was not as favorable in the secondary market, one analyst said. Concern also has been building about a cooling of Japanese interest in U.S. government bonds. Some analysts said investors in Tokyo were selling U.S. and Japanese bonds and switching into European debt.

The wave of selling in Tokyo on Friday began after the governor of the Bank of Japan, Yasushi Mieno, said the central bank's priorities were to strengthen the yen and hold down inflationary pressures.

These remarks caused the yield on the benchmark Japanese long-term bonds, the No. 119, 4.8 percent issue of 1999, to climb quickly to 6.45 percent from 6.265 percent.

It was the first time this bellwether Japanese bond yielded more than 6.35 percent since Oct. 5, 1987 — two weeks before stock prices plunged around the globe.

"The Japanese markets have become increasingly unsettled as next month's national election nears," said Philip Braverman, chief economist at DKB Securities Corp., the U.S. arm of a large Japanese house.

Some of the selling in Japan was also attributed to the approach of a three-day national holiday, when many financial houses seek to square accounts. In Japan, Monday is Adult Day, and the U.S. cash market in Treasuries will be closed in observance of the Martin Luther King Jr. holiday.

When U.S. trading resumes on Tuesday, analysts said, it is likely to be influenced by a barrage of economic statistics. Further confusing the outlook are expected distortions in the reports because of the recent cold weather and strikes.

Heading the list of data due next week is the November merchandise trade report, due Wednesday.

Economists anticipate one feature of the release will be lower exports because of the recent strike at Boeing Co. However, imports are also expected to be weaker. A survey produced an average forecast for a $9.6 billion trade gap in November after one of $10.2 billion in October.

Meanwhile, the cold weather is expected to have caused increased output by U.S. utilities, helping to produce a 0.2 percent gain in Wednesday's industrial production for December. Output was up 0.1 percent in November.

Thursday's Consumer Price Index for December is likely to be a key focus for the market, given its concern about whether the Fed has much leeway to nudge interest rates lower. The index is expected to show a 0.4 percent rise, the same as November. *(NYT, Reuters, UPI)*

BROADGATE INTERNATIONAL FUND MANAGEMENT COMPANY
Société Anonyme
2, boulevard Royal
L - 2953 LUXEMBOURG
Grand-Duchy of Luxembourg
R.C. LUXEMBOURG B-23407

NOTICE
to the shareholders of BROADGATE INTERNATIONAL FUND
a Luxembourg fonds commun de placement

This is to inform shareholders that the Management Regulations have been amended on December 15, 1989 by a joint decision of the Management Company and the Custodian, effective on January 21, 1990 (the "Effective Date"), in order to:

1) comply with and to register the Fund under the Luxembourg law of March 30, 1988 on investment funds and to qualify it as a UCITS (Undertaking for Collective Investment in Transferable Securities).
2) implement daily valuation of the assets and daily issue, exchange and redemption of all shares.
3) issue two additional classes of shares at an initial offering price of 10.00 US$ plus the relevant sales charge.
class K Broadgate International Fund - Pacific Equities
class L Broadgate International Fund - European Equities
4) bring the existing subscription and redemption procedures and the related cash settlement periods in line with current market practice.
- New subscriptions shall be payable within 2 business days in Luxembourg after the relevant Valuation Date for classes A to D and within 5 business days in Luxembourg after the relevant Valuation Date for classes E to L.
- Redemption proceeds in the case of classes A and B corresponding to Portfolio 1 shall be wired or otherwise transmitted for value two business days after the relevant day on which the redemption order is executed, if such day is a business day in New York, or otherwise on the next business day in New York.
- Redemption proceeds for classes C and D corresponding to Portfolio 2 shall be wired or otherwise transmitted for value two business days in the country of the currency denomination after the relevant day on which the redemption order is executed.
- Payment proceeds of class E through L corresponding to Portfolios 3 to 10 shall be made within five business days in the country of the currency denomination after the relevant day on which the redemption order is executed.
5) The Management Company and Banque Internationale à Luxembourg S.A. intend to agree under the restated Management Regulations a new schedule of fees to reflect the increased work pursuant to daily valuation of all portfolios, expressed as a percentage of the net asset value of the relevant portfolios; the new fees are anticipated to be as follows, effective from 1st May, 1990;

portfolio 1 — 0,06
portfolio 2 — 0,08
portfolios 3, 4 and 6 — 0,29 on the first 50 million US$; 0,19 on the assets over 50 million US$
portfolios 7, 9 and 10 — 0,32 on the first 50 million US$; 0,24 on the assets from 50 to 100 million US$; 0,25 on the assets above 100 million US$
portfolios 5 and 8 — 0,31 on the first 50 million US$; 0,21 on the assets above 50 million US$

The restated Management Regulations will be published in the Luxembourg Mémorial of January 16, 1990.

Copies of the updated prospectus dated January 1990 and of the restated Management Regulations will be available at no charge at the offices of the Management Company and of the Custodian from the Effective Date.

William A. Semmes
Director

BONDS: *Issues for East*

(Continued from first finance page)

million) of zero-coupon bonds issued by Crédit Suisse.

Co-managers wailed that they could find no interest in Canadian-dollar paper. CSFB acknowledged that it too saw no retail demand but said it found "a broad mix of institutional investors who want to lighten their exposure but still participate in the Canadian-dollar market."

The zero-coupon permits this as investors need put up in cash only 385.50 dollars for an investment that nominally is worth 1,000 dollars.

In the past year, Canadian interest rates have been as much as 4 percentage points higher than those in the United States, a larger spread than usual. The bank prime lending rate in Canada has been 13.5 percent since last March.

Banks in U.S. Downgraded by Rating Agencies

Reuters

NEW YORK — U.S. credit-rating agencies downgraded the ratings of several medium-sized banks on Friday, mainly reflecting their lending exposure.

Standard & Poor's Corp. said Friday that it had downgraded about $150 million of Imperial Corp. of America's senior unsecured debt to CCC-minus from CCC. It also cut, to the same grade, the rating of the bank's Imperial Savings Association unit.

The ratings agency also said it lowered MeraBank Federal Savings Bank's subordinated debt rating to D from CC.

Moody's Investors Service said it had downgraded One Bancorp's subordinated debt and the company's lead bank, Maine Savings Bank, for long-term deposits, affecting about $80 million of debt.

Moody's also downgraded Shawmut National Corp.'s preferred-stock rating — to A-3 from A-2 — as well as its commercial-paper rating.

DOLLAR: *Ready for a Bounce Back, Analysts Say*

(Continued from page 1)

said he expected Continental economies to begin slowing "under the influence of the sharp tightening in monetary conditions." If simultaneously there is early optimism on the recovery of the U.S. economy, Mr. Brown said that "the low point of the dollar may not be far ahead."

Analysts at Banque Indosuez in Paris also expect the very high real rates of interest in Europe, 7 percent in France and 5 percent in West Germany, to begin biting into industry's willingness to continue its investment boom.

Other worries about Europe include the prevailing euphoria about business prospects in Eastern Europe, which analysts warn are unlikely to be realized as soon as is expected, and concern about labor strife in West Germany as the current round of wage negotiations for the important metal-workers' union reaches its peak.

On top of that, the clear refusal of European governments to countenance a revaluation of the Deutsche mark within the EMS is likely to provoke some outflow from West Germany of money seeking higher returns in Italy and France. Both currencies gained against the mark last week — a significant reversal from the previous week's atmosphere of crisis within the EMS.

The main uncertainty in the foreign-exchange market is focused on the yen.

There is broad agreement among analysts and government officials that the yen must rise in value against all currencies. So far, however, investors are not convinced.

Numerous reasons are give to explain why the dollar has risen against the yen while falling against the mark. Since mid-September, the dollar is down about 14 percent against the mark.

During the same period, the yen has weakened some 16 percent against the mark. This is fueling European fears that the Japanese are cheapening the currency in preparation for a commercial attack to replace their waning sales prospects in the United States as economic growth there slows.

Mr. Brown ascribes the yen's weakness to investors' perceptions that the Bank of Japan has been too slow to tighten monetary policy and fears that this error "could mean a period of virulent inflation ahead, calling for a vigorous monetary counter-attack."

Fears of an impending increase in interest rates by the Bank of Japan sent the Tokyo bond and

> **'The dollar is bottoming out for now.'**
> **Roland Scharff, treasurer, Hessische Landesbank.**

stock markets into a tailspin Friday. The yield on the government's 10-year benchmark issue rose to 6.465 percent, from 6.25 percent on Thursday. Yields on less liquid government issues are approaching 7 percent.

Analysts also stress an increasing nervousness by Japanese investors at the approach of the important mid-February election for the lower house and renewed worries about the ability of the ruling Liberal Democratic Party to keep its majority.

Using the yield on the most liquid issue, Japanese interest rates are now a mere 1.6 percent below what U.S. government bonds pay.

Christopher Kwiecinski of Banque Indosuez in Paris notes that this is the smallest differential in almost a decade and well below the nearly four-percentage-point advantage of U.S. government bonds last year.

The reduction in the yield advantage is significant, because it increases the risk for Japanese investors in buying U.S. bonds. Investors look at the so-called total return, interest income plus currency change. They need a high differential in yields — as a cushion against possible decline of the dollar against the yen — or a very low value of the dollar. At present they have neither.

Japanese participation in the quarterly U.S. Treasury auctions of new securities has typically been running at about 30 percent. The next U.S. sale is set for February.

With the dollar unnaturally strong against the yen and with the yield advantage of dollar bonds so low, Mr. Kwiecinski believes that Japanese investors will be unwilling to commit new funds to buy dollar bonds.

Many analysts believe that the main prop supporting the dollar against the yen is the outflow of direct investment from Japan into the United States. As merger activity slows with the overall pace of the U.S. economy, these analysts say investments from Japan will also slow — and allow the yen to rise.

Outflows of securities investments are deterred by the unattractive exchange rate. Richard Koo, an analyst for Nomura Research in Tokyo, says that institutional investors are not willing to buy foreign securities at the present rate of exchange.

By contrast, Mr. Koo noted, "lots of first-time foreign investments by private investors" who are "less sensitive" to either interest-rate differentials or exchange-rate values.

Futures Decline Tied to Equities

Reuters

CHICAGO — The steep Friday sell-off on Wall Street stocks pressured soybean, copper and livestock futures as fears grew that the U.S. economy was headed for a recession.

While no trader was willing to say the stock market was the primary reason for the selling in commodities, memories of how the October 1987 collapse had repercussions throughout financial markets were enough to prompt cautious selling.

Soybeans had been expected to rally after the government showed smaller-than-expected supplies and production in 1989. But the market did not rise, and dealers apparently decided the stock market decline was the cause. Other commodities fell as recession fears broke out, but corn moved higher on bullish supply data.

Boskin Terms Price Rise Transient

Reuters

WASHINGTON — The chairman of the president's Council of Economic Advisers, Michael Boskin, said over the weekend that the sharp rise in U.S. wholesale prices reported on Friday, which revived inflation fears, reflected temporary factors.

"About this time last year in January and February there were big jumps in the Producer Price Index and then it fell substantially later in the year," Mr. Boskin said on television Saturday.

"I think right now we want to make sure the economy sustains its growth and that we adopt monetary, fiscal and regulatory policies that provide the environment in which the economy can grow," Mr. Boskin told Cable News Network.

U.S. Treasury Bonds

Jan. 12

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
31.12.91	99 13/32	99 15/32	7.94	7.85
15.11.92	99 12/32	99 14/32	7.98	7.94
31.12.93	98 24/32	98 26/32	7.99	7.90
15.02.95	98 29/32	98 31/32	8.01	7.91
15.01.97	99 15/32	99 19/32	8.10	8.03
15.11.99	98 12/32	98 14/32	8.11	7.99
15.02.06	109 21/32	109 25/32	8.27	8.16
15.08.19	99 13/32	99 15/32	8.17	8.06

Source: Salomon Inc.

U.S. Consumer Rates

Jan. 12

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.27 %
Money Market Funds	
Donoghue's 7-Day Average	7.80 %
Bank Money Market Accounts	
Bank Rate Monitor Index	n.a. %
Home Mortgage, FHLB average	9.80 %

Source: New York Times.

Euromarts At a Glance

Eurobond Yields

	Jan. 10	Jan. 3
U.S. $, 8 yrs & over	8.80	8.75
U.S. $, 5 to 7 yrs	8.69	8.73
U.S. $, less than 5 yrs	8.51	8.49
Pounds sterling, less than 5 yrs	13.08	12.83
French francs, less than 5 yrs	11.09	10.36
Ital. lire, less than 5 yrs	12.71	12.62
Danish kroner, less than 5 yrs	10.98	10.97
ECU, 8 yrs & over	9.58	9.21
ECU, 5 to 7 yrs	9.81	9.50
Can. $, less than 5 yrs	11.44	11.38
Aus. $, less than 5 yrs	14.15	14.29
N.Z. $, less than 5 yrs	12.61	12.64
Yen, 5 to 7 yrs	6.80	5.96
Yen, less than 5 yrs	6.17	6.16

Source: Luxembourg Stock Exchange.

Weekly Sales

Jan. 12

Primary Market

	Cedel $	Cedel Nos$	Euroclear $	Euroclear Nos$
Straights	6.00	645.10	365.00	689.60
Convert.	—	—	—	—
FRNs	—	19.90	—	20.60
ECP	3,019.10	2,199.80	8,729.70	4,374.60
Total	3,025.10	2,864.80	9,094.70	5,084.80

Secondary Market

	Cedel $	Cedel Nos$	Euroclear $	Euroclear Nos$
Straights	1,832.30	7,377.40	5,225.60	5,306.30
Convert.	154.90	485.40	772.80	278.30
FRNs	539.30	1,187.30	2,476.70	3,006.70
ECP	2,717.60	-2,390.20	2,822.90	1,451.60
Total	5,244.10	11,448.50	11,498.80	10,342.90

Source: Euroclear, Cedel.

Libor Rates

Jan. 12

	1-month	3-month	6-month
U.S. $	8¼	8¼	8¼
Deutsche mark	8	8 5/16	8 9/16
Pound sterling	15 3/16	15 3/16	15 3/16
French franc	11	11⅛	11⅛
ECU	11	11 5/16	11⅞
Yen	6 13/16	7⅛	7 3/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

WALL STREET REVIEW

Figures as of close of trading Friday, Jan. 12.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
PhilMr s	153763	41¼	38½	38⅝	—3⅜
Citicorp	123806	28¼	26½	26⅞	—1⅛
PanAm	95047	3¼	3	3⅛	— ⅛
FdNM s	83767	37½	34⅝	34⅝	+ ⅝
AT&T	79220	46	43⅛	43¼	—1⅞
GenEl	74051	66¼	62⅝	63⅛	—2½
IBM	72463	101¼	97⅝	97⅞	—1⅞
GerFd	71290	25⅛	18⅛	23½	+6½
Unitel s	61822	36¼	33⅛	34¼	—1⅛
Syntex	56279	54⅛	50⅝	51⅛	— ¼
Chase	53320	34	31	31¾	—2⅜
Waste s	51703	35½	33	33⅛	—2⅜
McDnl s	50099	34¼	31	32⅛	—1⅛
PacTel	50105	49	46¼	46⅞	—1
Exxon	50085	49⅝	47⅝	47¾	—1
GMotr s	50038	44⅝	41¼	41⅝	—1⅝
BrMySq	49771	57⅛	55	55	—1
AmExp	48744	34⅝	32⅝	33	—1½
PierD g	47304	21⅛	18¾	20	+ ⅞
Sears	44778	39⅝	37⅝	38	—1⅛
AMR	43449	59⅝	54½	54½	—5⅛
JohnJn s	43434	60⅝	56⅝	56⅞	—2⅜
PhilaEl	43289	23¼	21¼	21⅞	—1½
ParCom	42645	51⅞	45¾	46	—6
OcciPet	41535	29⅝	28⅝	29	— ⅝

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
TexAir	49969	11	8⅝	9	—2
EchoBy	35117	21¼	18⅝	19⅝	+ ½
HomeSh	34303	9⅛	8¼	8½	+ ⅛
BAT In	33332	13⅝	13½	13½	— ⅛
Dk Nk wt	31784	5	4⅛	5	
DWG	16531	15⅝	12	13⅝	+1¼
DowC rt	15220	8½	8	8⅛	
Coren	14930	10	8⅝	9⅝	+ ⅛
WangB	13790	5	4⅝	4½	— ⅝
Amdhl	13223	15	14	14⅛	— ⅝
FruitL	13092	15⅛	13⅝	14⅝	— ⅝
OMI	12965	11⅜	10	11	+ ⅞
PegGld	10787	16⅝	13⅝	15¼	+1
TwCty	10591	6⅝	5¼	6⅝	+ ⅛
BergB s	10232	25⅝	24¼	24¼	—1⅛
Pilber	10053	19⅞	13⅝	19⅝	+6
Diasonc	9844	3⅝	3⅛	3⅛	— ⅜
ENSCO	8795	4⅛	3⅝	3⅝	— ⅛
Misnvn n	8257	3⅜	2⅝	3⅝	+ ¼
Alza	7712	44½	37⅛	37⅝	—7
Sothby s	6546	26½	23⅞	23½	—2
Atari	6178	9⅛	8⅝	8⅝	— ½
SikesA	6140	14⅝	12	12⅛	—2⅜
JanBell	6129	26⅛	22⅛	22½	—3⅝
A-mo sc	5780	19⅝	17⅝	17½	—2⅜

NYSE Sales

	Sales Vol.
Total for week	809,580,000
Week ago	689,930,000
Year ago	767,870,000
Two years ago	817,240,000
Jan 1 to date	1,499,454,430
1989 to date	1,381,440,000
1988 to date	1,750,940,000

AMEX Sales

	Sales Vol.
Total for week	71,380,000
Week ago	53,440,000
Year ago	52,040,000
Jan 1 to date	124,820,000
1989 to date	98,960,000

NYSE Diaries

	This Wk	Last Wk
Advanced	533	1180
Declined	1425	754
Unchanged	210	224
Total Issues	2168	2158
New Highs	106	196
New Lows	95	25

AMEX Diaries

	This Wk	Last Wk
Advanced	265	534
Declined	555	282
Unchanged	176	180
Total Issues	996	996
New Highs	45	70
New Lows	34	20

Shaky Bridges: Market Cliff-Hanger

By Floyd Norris

New York Times Service

NEW YORK — Engineers demand firm foundations on both sides of a bridge. Investment bankers do not have engineering degrees.

Shaky bridge loans these days have more than a few Wall Streeters quaking, and played a role in Friday's tumble on the U.S. stock market.

Rising interest rates and worries over inflation also played a role, as U.S. producer prices were reported to have risen 4.8 percent in 1989, the largest annual gain since 1981.

The interest-sensitive Dow Jones utilities average has fallen 6.1 percent so far in 1990, its worst fortnight since the 1987 collapse. But fear that easy takeover financing is at an end may be the biggest reason that the Dow Jones industrial average ended the week down 84.04 points, to 2,689.21.

The most prominent bridge loan is the $400 million that Campeau Corp. owes to First Boston, Paine Webber and Dillon Read. That loan, which helped Campeau spend too much in buying Federated Department Stores, got lots of press last week as Campeau teetered on the edge of bankruptcy.

But First Boston and its friends are not alone on high bridges. As Shearson Lehman Hutton prepares to sell stock to raise capital, one money manager confesses to finding the shares cheap but adds that he is worried about Shearson's $500 million bridge loan to Prime Computer.

A bridge loan is supposed to tide over an acquirer until permanent financing is arranged. Once it seemed like a great way to make money. Now it seems like a financial form of Russian roulette.

Some on the Street blame Michael R. Milken for bridge loans.

Not that Drexel Burnham Lambert, for which the acknowledged king of the junk bond used to work, pioneered them, but the competing firms needed a way to assure clients that they could complete offers, as Drexel was able to do with its letters saying it was "highly confident" it could sell junk bonds to finance deals for its clients. So bridges were built.

When the music stopped at the takeover tango, Drexel had egg on its face as it was unable to raise cash it promised for some deals. Its competitors have black holes on their balance sheets. Egg is better.

The question now is whether the dance is over, or just waiting for the band to finish its break.

"I think we're getting a permanent disappearance of the junk-bond market" as a takeover tool, said John Paulson, a partner in Gruss & Co. Gruss used to concentrate on speculating in takeover stocks. Now it plans to focus on trading bonds of troubled companies. "We think that will be the great opportunity of the 90s," said Mr. Paulson.

Even a decline in interest rates might not help the takeover market now, since the credit cutoff reflects default fears, not Federal Reserve Board tightening.

CAMPEAU: *Filing Expected*

(Continued from first finance page)

ated and Allied and what their plans are. He added that bankers were disappointed with the overhaul Campeau announced Thursday.

Campeau's directors decided to transfer voting control of Campeau U.S., the Toronto-based company's American subsidiary, to a group of trustees, who are yet to be named.

Outside observers also were unimpressed with the plans. George Hartman, vice chairman of BBN James Capel Inc., a Canadian brokerage, said: "It's just a last-minute effort to get some action going that could possibly avoid bankruptcy. But that doesn't appear likely to me."

Campeau borrowed heavily to buy first Allied Stores in 1986, for $3.6 billion, and then Federated Department Stores in 1988, for $6.6 billion.

(LAT, Reuters, NYT)

INTERNATIONAL BusinessWeek
This week's topics:
○ Interview With George Bush: The President Speaks His Mind
○ German Unity: A Threat To Europe 1992?
○ Siemens + Nixdorf = Computer Power
○ The U.S. Real Estate Slump
○ It's Cold Outside Comecon
Now available at your newsstand!
BusinessWeek International
14, av. d'Ouchy, CH-1006 Lausanne, Tel. 41-21-617 4411
1221 Avenue of the Americas, New York, N.Y. 10020, Tel. 212-512-6868

erald INTERNATIONAL Trib
Published With The New York Times and The Washington Post
Edited in Paris TUESDAY, JUNE 10, 1989 Printed in New York

HEADING FOR NORTH AMERICA?
You Can Now Receive Same-Day Delivery of The Global Newspaper in Key American Cities.
To subscribe call us toll-free in the U.S.:
1-800-882 2884.
(In New York, call: 212-752 3890.)
Or write: International Herald Tribune, 850 Third Ave., New York, N.Y. 10022.
Or Telex: 427175. Or Fax: 212-7558785.

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. Jan. 11

Dollar Straights

Europe pre 1995

Issuer	Con	Mat	Price	Yld	Spd Trsy
Austra Wheat	9½	93	101½	9.02	+96
Austri Control	8¾	93	98¾	8.59	+52
Austri Control	9¼	94	102¼	8.41	+55
Austria	9¾	93	102¾	8.62	+55
B F C E	7¼	91	97¾	8.66	+59
B F C E	7	92	96⅝	8.59	+53
B F C E	7¼	93	95¾	8.77	+69
B F C E	8⅝	94	99⅝	8.60	+54
B N P	8⅝	94	99⅝	8.70	+64
Belgium 2	7½	91	98⅝	8.45	+39
Belgium 2	7¾	91	98⅞	8.68	+60
Belgium 2	8½	91	99¾	8.69	+60
Belgium	8½	93	99½	8.70	+62
Belgium 2	8¼	93	98⅝	8.68	+61
Belgium	9½	92	101	8.65	+58
C B A	9¼	93	100⅝	8.93	+87
C C C E	7⅛	91	97½	8.68	+61
C E P M E	7⅜	91	98¼	8.45	+57
C E P M E	7¾	92	97¾	8.64	+57
C N C A	11½	92	105¼	8.74	+67
C N C A	7¾	91	97½	8.71	+65
C N C A	9⅜	93	101⅛	8.76	+70
C N C A	7½	92	95½	8.85	+79
C N C A	8¾	94	97¾	8.78	+72
C N T	7	91	97¾	8.59	+53
Com Bk Austria	10	93	103⅛	8.85	+79
Cr Foncier	7½	91	96⅜	8.62	+56
Cr Foncier X/w	10⅝	91	102⅛	8.65	+57
Cr Foncier X/w	12½	92	108¼	8.67	+60
Cr Lyonnais	7¾	93	95½	8.89	+82
Cr Natl	7¾	93	97¾	8.59	+53
Cr Natl	7¾	92	97¾	8.67	+60
Cr Natl	8¼	93	98⅝	8.64	+57
Denmark	8¼	91	100⅛	8.58	+49
Denmark	8½	93	99¾	8.63	+55
Denmark	8¼	91	99⅝	8.65	+58
Denmark	7⅞	92	97	8.71	+63
Denmark	7¾	93	97¼	8.71	+63
Denmark	8¼	94	98⅛	8.67	+61
E D C	8¼	91	99⅝	8.58	+49
E D F	7¾	93	97⅞	8.62	+55
E E C	10	93	103⅝	8.54	+47
E E C	7	91	97¾	8.56	+49
E E C	8¼	93	99¼	8.65	+57
E E C	7¼	93	96½	8.60	+52
E E C Oct	12	93	110¼	8.63	+57

To Our Readers

Prices for Deutsche mark-denominated bonds were not available due to technical problems at the source. We regret the inconvenience.

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
E I B	11⅝	93	107⅝	8.62	+56
E I B	12⅝	94	114½	8.64	+58
E I B	8⅝	92	100½	8.48	+41
E I B	7⅜	93	97⅛	8.65	+57
E I B 'A'	7⅜	93	97	8.56	+49
Eurofima	9¼	93	101½	8.68	+61
Exportfin	11¼	92	104⅝	8.72	+65
Exportfin	7¼	92	97¾	8.73	+67
Exportfin	7⅜	93	96⅛	8.75	+69
Exportfin	7⅝	93	96½	8.76	+70
Exportfinans	8½	91	99¾	8.66	+58
Ferrovie Stato	8½	93	99⅜	8.71	+64
Imi Bank Intl	8⅝	94	99⅝	8.84	+78
Italy	7	91	97½	8.46	+39
Italy	9	93	101¼	8.58	+51
Italy	8½	94	99½	8.60	+54
K F W Intl Fin	9	94	101⅛	8.63	+57
N I B	8¼	93	98½	8.79	+72
New Zealand	7⅛	91	97⅜	8.98	+91
New Zealand	7¼	91	97⅝	8.95	+88
New Zealand	8	93	97⅝	8.98	+92
New Zealand	8¼	93	98½	8.93	+85
New Zealand	9	94	100½	8.87	+81
New Zealand	9	94	100½	8.87	+81
Norway	7¼	91	98.050	8.57	+50
Norway	8⅝	93	100⅛	8.49	+41
Prov Alberta	7¼	91	98	8.55	+49
Queensland	8	91	99½	9.11	+103
Queensland	7¼	92	96½	9.04	+98
Reed Publ	9	94	99½	9.12	+106
S E C Victoria	9½	92	101	8.99	+92
S E K	8⅝	91	99¾	8.63	+54
S E K	8	91	99¾	8.63	+54
S E K	7¼	91	97⅛	8.64	+58
S E K	8¼	92	99⅛	8.69	+62
S E K	7½	93	96⅞	8.70	+63
S E K	9½	93	102⅝	8.52	+44
S E K	9	93	101⅛	8.58	+52
S E K	7½	92	96⅝	8.43	+57
S N C F	11⅝	93	107⅜	8.48	+60
S N C F	7¼	94	95½	8.62	+56
Soc Gen Fin	9⅝	93	101	8.77	+70
St Bk Sth Aust	10¼	92	102¼	9.01	+94
St Bk Sth Aust	9¼	93	100⅝	9.00	+92
St Bk Victoria	8½	93	98½	9.00	+93
Statoil	9¼	92	100⅝	8.85	+78
Statoil	7¾	94	95¼	9.06	+100
Sth Aust Govt	8¾	93	99¾	9.01	+94
Sulzer Bros	8¼	92	100⅛	8.59	+51
Sweden	10¼	92	103⅝	8.63	+55
Sweden	7	91	97¼	8.49	+42
Sweden	7	92	95¾	8.55	+48
Victoria	10	92	102⅝	9.05	+97
Victorian P A	11¾	92	105⅛	8.99	+92
World Bk	11	92	104½	8.50	+44
World Bk	12	93	110	8.45	+38
World Bk	12⅝	94	115½	8.45	+38
World Bk	12¼	94	113⅝	8.45	+39
World Bk	7	92	97⅛	8.50	+44
World Bk	9	93	101½	8.45	+38

Europe post 1994

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
Australia	11	95	109⅛	8.73	+66
Australia	11½	95	111⅜	8.79	+70
Austria	11¼	95	109⅝	8.79	+73
Austria	7⅜	97	95⅛	8.70	+54
Austria	8⅝	00	98⅝	8.79	+61
Austria	8½	00	98⅝	8.79	+61
B F C E	9¼	95	102¼	8.79	+60
B F C E	7¾	96	95⅝	8.76	+63
B F C E	7¾	97	94¾	8.76	+61
B N P	8⅝	95	99⅝	8.75	+69
Bost Fin	8	96	96.050	8.80	+66
Belgium	9⅝	98	104⅝	8.88	+72
Belgium	8	97	95⅛	8.81	+66
Boots Co	9	97	99⅜	9.17	+102
Brit Telecom	7⅞	96	94⅝	8.80	+67
Brit Telecom	9⅝	98	103⅛	8.85	+68
Brit Telecom	8⅝	99	99¼	8.85	+68
British Gas	8⅝	99	97¼	8.81	+64

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
C C C E	9¼	95	102⅜	8.66	+60
C C C E	8⅜	99	99⅛	8.82	+65
C N C A	7½	96	92.050	8.96	+84
C N E	11¼	95	111½	8.83	+77
Canada	10	95	106⅝	8.51	+43
Canada	9	96	102½	8.44	+33
Council Europe	9⅝	96	102½	8.84	+73
Council Europe	8	96	96⅛	8.78	+65
Cr Foncier	9⅛	95	102⅛	8.69	+60
Cr Foncier	9½	96	104½	8.81	+64
Cr Local	8⅝	99	99½	8.96	+78
Cr Lyonnais	9	96	100⅛	8.90	+77
Deut Bk	9⅝	97	102⅝	8.89	+72
E C S C	9⅝	96	101¼	9.02	+86
E C S C Tr A	8¼	96	97½	8.73	+59
E D C	9½	98	104⅝	8.73	+57
E D C	8⅝	00	99⅝	8.73	+54
E D F	9¼	95	103⅝	8.64	+56
E D F	9	98	101⅝	8.70	+54
E D F	9⅝	98	103⅝	8.74	+58
E D F	9½	99	104⅝	8.81	+64
E E C	8¼	96	98⅝	8.59	+46
E I B	10	97	106½	8.73	+57
E I B	12	95	113⅝	8.70	+63
E I B	7⅜	96	95½	8.49	+57
E I B	9¼	96	103⅝	8.45	+49
E I B	9⅝	99	104⅝	8.78	+60
E I B	8½	99	98⅝	8.75	+57
E I B	9¼	96	102¼	8.75	+64
Eurofima	9¼	96	102¼	8.75	+64
Exportfin	7⅜	96	95½	8.77	+62
Farm Credit	7¾	96	95⅝	8.71	+59
Ferrovie Stato	9¼	99	103⅝	8.72	+51
Fin Export Cr	9¼	95	102⅝	8.71	+62
Finland	9	98	101⅛	8.65	+53
Gel Co	7⅜	97	93½	8.88	+73
I A D B	10½	95	107⅝	8.70	+78
I A D B	9⅜	95	105	8.75	+65
I A D B	7⅜	96	94⅝	8.82	+68
I F C	8⅝	96	99½	8.85	+72
Italy	9¼	95	103⅛	8.68	+59
Italy	9¼	96	101⅝	8.76	+63
Italy	9⅝	99	104⅝	8.82	+65
Manitoba	7½	96	95⅝	8.90	+78
New Zealand	8	97	94⅝	9.01	+86
Petro-Canada	7¼	96	92⅝	8.81	+69
Prov Alberta	7¾	95	103⅝	8.65	+56
Prov Alberta	8⅝	98	99½	8.72	+57
Qantas	10¼	95	105⅜	8.98	+90
Qantas	9¼	96	98⅝	9.02	+90
Qantas	9⅞	96	104.050	8.99	+87
Qantas	9⅝	98	102⅝	9.05	+88
Quebec Hydro	9¼	98	105½	8.87	+64
Quebec Prov	9	98	101	8.81	+65
Queensland	10¼	95	105¼	9.09	+91
S A S	10	99	103½	9.41	+124
S A S	9⅜	99	98⅝	9.33	+116
S B A B	9¼	95	99½	8.88	+82
S N C F	7⅞	96	95⅛	8.81	+59
S N C F	9⅝	98	104.050	8.79	+62
Sainsbury	9¼	96	100⅛	9.06	+89
State Bk Nsw	10⅛	99	106⅝	9.31	+113
Statoil	9⅝	95	101⅞	9.17	+108
Sweden	8⅝	96	100½	8.65	+54
Sweden	9¼	98	103⅛	8.68	+52
U B S Fin	9½	02	103⅝	9.01	+82
Victorian P A	8⅝	96	96⅝	9.10	+96
World Bk	10⅛	95	106¼	8.64	+56
World Bk	7⅜	96	105.050	8.68	+54
World Bk	8	97	95⅛	8.68	+53
World Bk	9	97	101⅛	8.68	+52
World Bk	9⅛	98	103	8.74	+57
World Bk	9	99	105⅝	8.74	+57
World Bk	9	04	109⅞	8.87	+67
World Bk Globl	8⅝	99	99⅝	8.60	+42

Far East

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
Bk Tokyo	8	93	97¼	8.87	+81
Bk Tokyo	8⅝	96	97¾	8.93	+82
Chubu Elec P	9	97	99½	9.09	+94
Dai-Ichi Kb	9⅝	92	101⅞	8.74	+66

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
Dkb Asia 2	8	93	97¼	8.87	+81
Exp Imp Jap	9½	99	104	8.84	+66
Exp Imp Jap	9⅝	99	105½	8.84	+66
Exp Imp Jap	8⅝	99	99⅝	8.75	+57
Full Heavy	8⅝	99	98⅜	9.00	+82
Fuji Intl Fin	9¼	93	101¼	8.87	+76
Hokkaido Elec	9⅝	96	99⅝	9.16	+102
Hokuriku Elec	8⅝	96	98½	9.17	+103
I B J Fin	9⅝	93	102⅝	8.78	+70
Ibj Finance	9⅝	92	102.050	8.78	+62
Ind Bk Jap	10	93	103⅝	8.64	+57
Ind Bk Jap	7⅝	92	97½	8.84	+77
Ind Bk Jap	8	93	97⅝	8.70	+64
Ind Bk Jap	7⅜	97	94½	8.93	+77
Jap Dev Bk	10	96	105½	8.81	+69
Jap Dev Bk	9⅝	93	102⅝	8.78	+63
Jap Dev Bk	8	94	97⅜	8.69	+63
Jap Dev Bk	8⅝	94	100⅛	8.66	+60
Jap Dev Bk	8⅝	95	99⅝	8.68	+62
Jap Dev Bk	9⅝	95	103	8.68	+59
Jap Dev Bk	9⅝	95	99⅝	8.76	+61
Jap Fin Corp	9¼	95	102⅝	8.71	+65
Jap Fin Corp	9⅞	96	104⅝	8.78	+68
Jap Fin Corp	9⅝	99	105⅝	8.83	+65
Jap Highway	9⅝	96	102⅝	8.77	+67
Jap Highway	8⅝	96	100⅝	8.81	+67
Kansai Elec P	10	96	102⅝	9.08	+95
Kansai Elec	9⅝	96	100⅝	9.08	+95
Kansai Intl	9	96	100⅝	8.84	+70
Kobe City	8⅝	97	100⅝	8.81	+64
Kyushu Elec	8⅝	96	100⅝	9.20	+105
L T C B	9¼	92	101⅛	8.75	+67
L T C B	8⅝	93	99⅝	8.80	+72
L T C B	8	93	97⅛	8.93	+85
L T C B	9⅞	93	103⅝	8.72	+65
L T C B	7⅝	93	96⅛	8.93	+86
L T C B	9⅝	96	101⅝	8.77	+71
L T C B	8⅝	96	99⅝	8.92	+79
L T C B	8	96	95	9.01	+88
L T C B	8	97	94⅝	9.07	+92
Metro Tokyo	9½	93	102⅝	8.65	+58
Metro Tokyo	9½	93	101⅝	8.65	+58
Metro Tokyo	9¼	94	102	8.66	+60
Metro Tokyo	7¼	96	97	8.66	+64
Mitsub Cor	7⅞	92	97	8.96	+90
Mitsub Cor	8⅝	93	99⅝	8.96	+82
N C B	8	93	102⅝	8.88	+81
Nip Credit	10¼	93	103⅝	8.88	+81
Nip Credit	10⅛	95	103⅝	9.03	+93
Nip Credit	10⅝	95	104⅝	9.06	+98
Nip Credit	9⅝	93	102⅝	8.90	+83
Nip Credit	8	93	96⅝	8.90	+94
Nip T&T	8½	96	99⅝	8.80	+66
Nip T&T	9⅝	95	102⅝	8.83	+72
Nip T&T	9⅝	95	102⅝	8.72	+64
Nip T&T	9⅝	98	102⅝	8.84	+67
Nip T&T	9	99	100⅝	8.85	+67
Norinchukin	8⅝	97	99⅝	8.85	+70
Osaka Prefect	9⅝	93	102.050	8.66	+59
Osaka Prefect	8½	94	99⅝	8.67	+61
Panasonic	9	92	100⅝	8.61	+54
Sumit Bank	7½	92	97⅝	8.85	+79
Sumit Bank	9⅝	92	102⅝	8.67	+59
Sumit Bank	9⅝	93	101⅝	8.79	+72
Tokyo El P	9¼	93	102⅝	8.78	+71
Tokyo El P	9⅝	95	99⅝	8.78	+83
Toyota Credit	8½	94	99⅝	8.65	+59
Toyota Credit	8⅝	94	99⅝	8.76	+70
Toyota Fin	10¼	91	101⅝	8.82	+74
Toyota Fin	9⅝	92	101⅝	8.63	+55
Toyota Motor	8	91	99⅝	8.79	+70
Toyota Motor	8	91	99⅝	8.78	+69
Toyota Motor	8¼	91	99⅝	8.82	+73
Toyota Motor	8⅝	91	100	8.68	+61
Toyota Motor	9½	91	101½	8.60	+54
Toyota Motor	7⅞	92	96⅝	8.95	+88

United States

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
Aetna Life	9½	95	103⅝	8.77	+67
Aetna Life	7⅞	16	97⅝	8.71	+64
Amer Genl	8⅝	91	99⅝	8.99	+91
Amer Genl	9	94	100½	8.85	+79
Amer Genl	9⅝	95	102⅝	9.03	+96
Amer Genl	8½	98	95½	9.28	+112
Anheuser-B	9⅝	92	100¼	9.00	+92
Bell South Cap	9¼	93	102¼	8.57	+45
Betawest	10⅛	92	103.050	9.00	+92
Betawest	7⅜	93	96⅝	9.02	+94
Campbell Soup	8⅝	91	99⅝	9.11	+103
Campbell Soup	9⅝	93	100	9.10	+104
Campbell Soup	10½	95	102⅞	9.52	+144
Campbell Soup	7½	98	89⅝	9.41	+125
Chevron	10⅛	91	101⅛	9.05	+96
Chevron Corp	8¼	96	95⅝	9.16	+104
Coca Cola	8½	91	99⅝	8.91	+84
Coca Cola	8⅝	92	100⅝	8.46	+58
Dupont	10⅛	92	102½	8.81	+74
Dupont	9	94	100⅝	8.73	+67
Eli Lilly	10⅛	92	102⅝	8.78	+70
Euro Crd Card	9	94	100⅛	8.93	+87
Euro Crd Card	9¼	94	101¼	8.89	+83
Euro Crd Card	9	95	100⅝	8.97	+91
Exxon	18	91	101⅞	8.70	+61
Exxon Cap	8½	94	99¼	8.68	+62
Ford Motor Cr	7⅜	91	97⅝	8.92	+86
Ford Motor Cr	8	91	98⅝	8.93	+84
Ford Motor Cr	8⅝	91	99⅝	8.98	+88
Ford Motor Cr	10½	91	102½	8.89	+83
Ford Motor Cr	9⅝	92	100⅝	8.85	+78
Ford Motor Cr	10	92	102.050	8.89	+83
Ford Motor Co	11⅝	92	105½	8.88	+82
Ford Motor Cr	9⅝	93	101½	9.01	+94
Ford Motor Cr	10	94	103⅝	8.94	+88
Ford Motor Cr	12	95	105⅝	8.97	+91
Ford Motor Cr	9⅝	96	102⅝	9.12	+101
Ford Motor Cr	11	96	108⅝	9.04	+94
G E C	10½	91	101⅞	8.77	+68
G E C	9⅝	96	102⅝	8.91	+79
Gen Ele Cap	7¾	91	98⅞	8.84	+75
Gen Ele Cap	8¼	91	99⅛	8.81	+73
Gen Ele Co	8	93	97⅝	8.86	+78
Gen Ele Cr Cor	8⅝	93	99⅝	8.79	+72
Gen Ele Cap	9	93	101½	8.53	+46
Gen Ele Cap	9⅝	93	101⅝	8.58	+51
Gen Ele Co	9½	95	103⅝	8.72	+65
Gen Ele Cap Co	8⅝	99	98⅝	8.91	+73
Gen Re Corp	9⅝	96	101⅝	8.85	+78
General Motors	9⅝	92	101	8.62	+55
GMAC	7¾	91	98	8.95	+88
GMAC	8⅝	91	99⅝	8.97	+88
GMAC	8⅝	91	99⅝	8.94	+85
GMAC	10	91	102	8.75	+69
GMAC	7⅝	92	96⅝	9.00	+94
GMAC	9⅝	92	101¼	8.93	+86
GMAC	10	92	100⅝	9.08	+99
GMAC	10⅛	92	101¼	9.06	+97
GMAC	8½	93	99⅝	8.78	+71
GMAC	9⅝	93	102⅝	8.87	+81
GMAC	8	94	97⅝	8.60	+54
GMAC	8⅝	94	98⅝	9.03	+97
GMAC	10	94	103⅝	9.02	+96
GMAC	9	95	99⅝	9.01	+88
GMAC	9⅝	96	108⅝	9.02	+92
GMAC Canada	9¼	93	108⅝	8.98	+92
I B M	8⅝	91	99⅝	8.71	+63
I B M	8⅝	91	100⅝	8.74	+69
I B M	9	92	100⅝	8.56	+49
I B M	9	92	101⅛	8.59	+39
I B M	9½	92	101½	8.67	+59
I B M	10	92	102⅝	8.66	+60
I B M	10¼	95	104	8.89	+81
I B M Cred	7⅛	91	98⅝	8.80	+71
I B M Cred	8⅝	92	100⅛	8.52	+44
I B M Intl Fin	8⅝	93	99⅝	8.62	+56
Kellogg	9⅝	91	100½	8.73	+66
Kellogg	9½	92	101½	8.70	+64
Liberty Mut	9⅝	93	101⅝	8.75	+68
Liberty Mut	8½	96	97⅝	8.96	+84
Lincoln Nat	9⅝	95	102½	9.15	+106
Metlife	7⅝	96	93⅝	9.01	+87
Manv Fund	8⅝	96	95½	9.16	+102
Morgan Gty	7⅝	91	97⅝	8.84	+79
Morgan J P	10⅝	92	103⅝	8.80	+72
New England	11⅝	95	107⅝	9.46	+141
Pepsico	7⅝	93	95⅛	9.13	+106
Pepsico	8	93	97	9.12	+104
Prudential	7⅝	91	98½	8.83	+75
Prudential	8	93	98⅛	8.58	+52
Prudential	12⅝	95	108⅝	9.44	+136
Utd Tech Corp	11⅝	92	103⅞	8.99	+93
Utd Tech Corp	7⅝	93	95⅝	9.11	+104
Utd Tech Fin	10⅝	95	103½	9.34	+126
Warner Lamb	8⅝	96	95⅝	9.12	+100
Xerox	10	93	102⅝	9.12	+105

Third World

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
Astra Sa	16⅝	92	69½	9.57	
Banobras	17⅝	92	108	12.82	+475
Escom	11½	91	98	12.93	+486
Escom	12⅝	91	98½	13.79	+570
Mexico	8⅝	91	88	16.77	+890
P E M E X	17⅝	92	115	5.93	-215
South Africa	12½	91	100½	11.93	+385

Dollar Zeros

Issuer	Mat	Price	Yld	Spd Trsy
A D B	04	31	8.34	-13
Amer Hospital	00	35⅝	10.22	+177
Amer Intl Gp	04	30⅝	8.58	+11
Amer Medic	97	28	18.32	+985
Amer Medic	02	12	18.38	+992
Amex	98	39½	8.90	+44
Arco Fin	92	82⅝	9.14	+42
Austria	95	63⅝	8.73	+45
Beneficial 1492	n.a.	90	98⅝	22.86
B N P C/W	92	81⅝	9.37	+114
B N P X/w	92	81½	9.37	+114
Baker	92	81	10.54	+232
Beatrice Foods	92	77½	13.81	+479
Bk Tokyo	91	88⅝	9.46	+132
Bond Brewing	91	1	n.a.	
BP Capital	95	62⅝	8.97	+70
Bq Indosuez	92	82⅝	9.75	+153
Campbell Soup	92	81	9.78	+156
Caterpillar	92	79⅝	9.33	+100
Caterpillar	94	67⅝	9.46	+120
Centrust	10	15⅝	9.82	+179
Connect Mut	00	39⅝	9.12	+67
Crocker	92	82½	9.59	+137
Denmark	96	92⅝	8.78	+66
Denmark	91	85½	8.89	+77
Denmark	98	48⅝	8.90	+48
Deut Bk Fin	95	58⅝	9.21	+99
Du Pont Overs	90	99	17.84	+910
E D F	94	67⅝	8.78	+57
Exportfin	96	47	8.88	+67
Exxon Cap	04	29⅝	8.49	+2
Fiat	91	88⅝	9.43	+128
First Fed	05	27⅝	8.91	+52
Florida Fed	95	57	10.78	+249
Fluor Fin	92	80⅝	9.23	+127
Gaz De Fra	92	83⅝	9.08	+73
Gaz De Fra	94	70⅝	9.00	+73
Gen Ele Cr Int	92	83⅝	8.90	+68
Gen Ele Cr Int	93	76⅝	8.91	+66
Gen Ele Cr Int	94	70⅝	8.88	+62
Gen Ele Cr Int	95	64⅝	9.01	+78
Gen Ele Cr Int	96	57⅝	9.03	+71
Gen Mills	04	28⅝	9.06	+59
Gen Mills	13	14	8.70	+36
GMAC Ov Feb93	92	83⅝	9.15	+95
GMAC Ov Oct91	92	79	9.11	+90
GMAC Overs	90	99	17.86	+994
Gulf Oil	92	83	9.18	+95
Hewlett Pac	91	92	9.12	+98
I A D B Dec	08	18⅝	9.41	+96
I A D B Jun	90	95⅝	11.14	+533
I A D B Jun	08	19	9.44	+98

Issuer	Mat	Price	Yld Mat	Spd Trsy
I F F	93	74⅝	9.42	+118
I & E C Mor	97	50	10.17	+181
Ic Indust	94	57⅝	13.76	+551
Indust Kred Bk	91	88⅝	9.43	+128
Marubeni	95	61⅝	9.34	+105
Middletown	10	16?	4.65	-377
Mutual Ben	06	26	8.76	+30
N I B	94	67⅝	8.78	+57
New England	99	44⅝	9.31	+85
Olymp York	96	54	10.02	+171
Penney Jc	94	67⅝	9.47	+121
Pepsico	92	83⅝	9.14	+93
Pepsico	94	69⅝	9.18	+92
Philip Morris	94	67⅝	9.37	+112
Prudential	99	46⅝	8.86	+43
Reynolds	92	79	11.96	+374
Rockefeller	00	36½	n.a.	
S B C Cay	97	51½	8.85	+47
S E K Mar	94	70⅝	8.85	+59
S E K Sep	94	67⅝	8.83	+61
Sears	92	83⅝	9.28	+106
Sears July	98	45⅝	9.62	+121
Sears May27	94	67⅝	9.44	+119
Siemens X/w	01	38⅝	8.68	+23
Sth Aust Govt	94	64⅝	9.52	+133
Sumit Fin	91	89⅝	9.47	+132
Suntory	93	73⅝	9.43	+120
Transamerica	91	85⅝	9.92	+179
Victorian P A	99	42⅝	9.14	+73
World Bk	02	29⅝	10.85	+159
Xerox Credit	92	83⅝	9.13	+91

ECU Straights

Issuer	Con	Mat	Price	Yld
A B B	8⅝	94	95⅝	10.83
Austri Control	9½	94	98⅝	10.00
Austria	7⅝	93	93⅝	9.97
Austria	8⅝	93	96⅝	10.05
Austria	7½	94	91⅝	9.95
Austria	9⅝	94	98	9.65
B F C E	7⅝	96	98½	9.75
B F C E	9	99	95⅝	9.65
B N P	9½	92	97½	10.18
B N P	7⅝	94	92⅝	10.23
Belgium	8⅝	94	93	10.37
Brit Telecom	8½	94	94⅝	9.99
C C C E	7⅝	92	94⅝	10.70
C N A	7⅝	92	93⅝	9.78
C N A	8⅝	97	93⅝	9.73
C N T	7⅝	93	92⅝	9.88
C N T	7⅝	94	92⅝	10.06
Council Europe	7⅝	95	89⅝	9.88
Cr Foncier	7⅝	94	91⅝	10.09
Cr Foncier	9	94	95⅝	9.87
Cr Foncier	9	96	95⅝	9.90
Cr Foncier	9⅝	99	97½	9.79
Cr Local	9⅝	92	98⅝	10.08
Cr Local	8⅝	93	93⅝	10.38
Cr Local	7⅝	93	92⅝	10.27
Cr Local	9⅝	94	99	10.01
Cr Local	9	95	96⅝	9.71
Cr Lyonnais	9	95	96⅝	9.80
Cr Natl	7⅝	91	94⅝	11.21
Denmark	7⅝	93	91.050	10.52
Denmark	7⅝	94	92⅝	10.33
Denmark	8⅝	94	92⅝	10.21
Denmark	7⅝	96	89⅝	10.03
Deut Bk Fin	8⅝	94	95⅝	9.71
Dupont	9	92	97⅝	9.99
E C S C	8	97	91⅝	9.81
E D C	8⅝	92	96⅝	10.32
E D C	7½	92	93⅝	10.37
E D F	8⅝	94	97⅝	9.98
E D F	8⅝	99	95⅝	9.70
E E C	7⅝	93	92⅝	10.29
E E C	7½	92	93⅝	10.08
E E C	7⅝	94	91⅝	10.14
E E C 'A'	7⅝	91	96⅝	11.56

Issuer	Con	Mat	Price	Yld
E E C 'B'	7⅝	92	94⅝	10.44
E E C 'C'	7½	93	93⅝	10.24
E I B	8⅝	93	96½	9.93
E I B	7⅝	94	92⅝	10.03
E I B	7⅝	95	93⅝	9.87
E I B	7½	96	96⅝	9.78
E I B	8⅝	96	96⅝	9.55
E I B	7⅝	96	90⅝	9.45
E I B	9	97	94⅝	9.65
E I B	8⅝	97	96⅝	9.69
E I B	9	99	96⅝	9.73
E I B	9⅝	99	94⅝	10.34
E N E L	8	92	94⅝	11.27
Ecu 3 Year	8⅝	93	95⅝	10.88
Ecu 5 Year	9⅝	95	95⅝	10.95
Ecu 7 Year	9⅝	97	93⅝	9.37
Ecu 10 Year	9⅝	00	100	9.93
Eec / Ecsc	7⅝	94	91⅝	10.19
Euratom	7⅝	96	86⅝	9.96
Euratom	7⅝	97	87	9.97
Eurofima	7⅝	94	92⅝	10.13
Eurofima	7⅝	97	91⅝	9.49
Eurofima	7⅝	94	89⅝	10.10
Eurofima	8⅝	99	94⅝	10.47
F B D B	7⅝	93	94⅝	10.72
Ferrovie Stato	7⅝	93	93⅝	10.52
Fin Export	7⅝	94	91	10.10
Fin Export	8⅝	94	95⅝	10.19
G M A C	8⅝	93	100	9.88
Gen Ele Cap	8⅝	93	94⅝	9.88
Gen Ele Cap	8⅝	94	93⅝	10.58
Gen Ele Co	7⅝	92	94⅝	10.18
Gen Ele Cr Cor	8⅝	92	100	9.72
Gen Elec Cap	10	93	100	9.99
GMAC	9	93	96⅝	10.49
GMAC	8⅝	94	95⅝	10.02
GMAC Con	8⅝	92	96⅝	10.25
I B M	9⅝	93	96⅝	10.27
I B M	8⅝	92	97⅝	9.77
I B M Intl Fin	9⅝	94	97⅝	9.85
I B M Intl Fin	9⅝	91	61⅝	11.23
Italy	n.a.	93	98⅝	9.90
Jap Dev Bank	8⅝	97	97⅝	9.67
Jap Highway	9⅝	96	97⅝	9.95
John & Joh	10	93	100⅝	9.95
N I B	8⅝	94	94⅝	10.15
Nestle Hold	7⅝	91	94⅝	10.86
New Zealand	7⅝	93	92⅝	10.63
New Zealand	7⅝	95	89⅝	10.23
Nip T&T	10	95	100	9.99
O K B	7⅝	96	95.050	9.99
Ost May	8½	97	94⅝	9.61
Quebec Hydro	9⅝	99	96⅝	9.75
S B C Cayman	9⅝	94	95⅝	10.06
S B C Cayman	10	93	100⅝	9.96
S D R	7⅝	95	90⅝	10.31
S E K	7½	91	95⅝	10.52
S E K	7⅝	92	93⅝	10.39
S E K	9	99	97⅝	9.98
S N C F	9	96	95⅝	9.61
Sweden	7½	96	92⅝	9.94
Sweden	9½	96	99	9.76
Tokyo El P	9⅝	98	96⅝	9.90
World Bk	7⅝	93	91⅝	10.29
World Bk	8⅝	93	95⅝	10.09
World Bk	7½	94	92⅝	9.91
World Bk	7⅝	94	90⅝	10.09
World Bk	8	94	90⅝	10.00
World Bk	9⅝	98	96⅝	9.97
World Bk	8⅝	95	94⅝	9.74
World Bk	7⅝	97	90⅝	9.63

Yen Straights

Issuer	Con	Mat	Price	Yld	Spd Trsy
A I D C	6	96	97	6.60	+33
Australia	5½	91	98⅝	6.90	+46
Austri Control	5⅝	91	98⅝	6.63	+19
Austri Control	4⅝	93	93⅝	6.72	+37
Austria	4⅝	94	93⅝	6.53	+20
Austria	7	95	102⅝	6.39	+18
Austria	5⅝	98	94⅝	6.09	-3
Austria 'A'	5⅝	96	97⅝	6.13	-14
B F C E	4⅝	93	94⅝	6.78	+43

Issuer	Con	Mat	Price	Yld Mat	Spd Trsy
B F C E	5⅝	98	[illegible]	[illegible]	[illegible]
Barclays Overs	6	96	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium 2 M	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C N C A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C N T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C N T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C N T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Chrysler Fin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cie Bancaire	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coca Cola	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cr Foncier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cr Foncier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cr Local	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cr Natl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E C S C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E D F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E D F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E D F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E D F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E D F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E E C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Exportfin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
F N M A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen Ele Co	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen Motors Cor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Halifax	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I B M	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
K F W Intl Fin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kansai Elec P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M M M	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Morgan J P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N I B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nip T&T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nip T&T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Proct Gamble	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Proct Gamble	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S E K	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S N C F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S N C F	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sallie Mae	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sallie Mae	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo El P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bk Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen 10-Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen 3-Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen 5-Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MUTUAL FUNDS

Figures as of close of trading Friday, Jan. 12.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Fund	Bid	Ask
[illegible]	[illegible]	[illegible]

NL— No initial sales load. f—Previous day's quote. r—Redemption charge may apply. x— Ex dividend.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 12.

(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
Vivigen			912	25¼	21	22	—1¾
Weston			997	8⅝	7½	7½	— ⅜
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PERSONAL INVESTING

IN THE IHT THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR — AN ESSENTIAL GUIDE TO OPPORTUNITIES AND PITFALLS — WORLDWIDE

Herald Tribune

Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

BUSINESS BRIEFS

Bond Corp. Seeks to Pay Interest

PERTH, Australia (Reuters) — In a bid to avert a threat of bankruptcy proceedings by U.S. creditors, Bond Corp. Holdings has asked an Australian court for permission to pay interest on a $510 million note.

In a writ filed in the Supreme Court of Western Australia on Saturday, the Bond group seeks to restrain a syndicate led by National Australia Bank from allegedly interfering in its contractual relations with U.S. subordinated debenture holders. By moving to put the Bond group's brewing interests into receivership last month, the syndicate prevented the Bond Corp. unit from making an $32 million interest payment due Dec. 29.

Bond Corp. officials also asked the court for a statement that would prevent the U.S. noteholders from demanding that the troubled group immediately repay the entire loan. Bond Corp. officials last week failed to convince the U.S. creditors not to drop their demand for repayment of the entire note following the missed interest payment.

Hanson Able to Raise £15 Billion

PARIS (Reuters) — Hanson PLC could fund acquisitions of up to £15 billion ($25 billion), the company's financial director, Derek Bonham, said at a news conference.

Martin Taylor, Hanson's vice chairman, added that the group would prefer to continue to focus activities in its present U.S. and British markets. But he added, "When the European Community's takeover code is in place, we will look more intently at opportunities in Europe."

Mr. Bonham added Friday that Hanson would have a net cash position of £791 million by the end of next month.

Pickens Files Suit Against Koito

TOKYO (AFP) — T. Boone Pickens, the biggest shareholder in the auto parts maker Koito Manufacturing Co., said that he was suing the company for allegedly illegal ties with Toyota Motor Co.

The suit, filed in Tokyo District Court on Friday, follows repeated requests by Mr. Pickens to examine Koito accounts and the minutes of a November board meeting which rejected his demand for a bigger dividend. Toyota owns around 19 percent of Koito, while Mr. Pickens owns about 20 percent.

Koito expressed surprise at the suit, and said it had not complied with Mr. Pickens's requests yet because of heavy paperwork at year-end.

GM, Suzuki Set Ventures in Hungary

BUDAPEST (Reuters) — The Carmakers General Motors Corp. and Suzuki Motor Co. signed formal agreements on Saturday to set up joint-venture production plants in Hungary.

Suzuki Motor Co. said it had signed a basic agreement to build a $140 million plant at Esztergom, north of Budapest, which will initially be able to produce 15,000 Suzuki Swift cars a year. GM signed a preliminary accord with the Hungarian Railway Carriage & Machine Factory, to build car engines and assemble GM's Opel Kadett models.

Both ventures, which have been under negotiation for several months, are expected to begin production in 1992.

Securities Group Forms Ethics Panel

PARIS (AP) - The International Organization of Securities Commissions has created an ethics panel to draft a code of conduct for professionals in the 50 nations belonging to the group.

The ethics group will study trading practices in member countries and try to define insider trading as it relates to a global securities market, the organization's president, Jean Saint-Geours said. Other goals include drawing up guidelines for takeover bids and creating a better flow of information between traders and clients.

The panel should make its recommendations in November.

Coffee Producers Try to Prop Prices

SAN JOSE, Costa Rica — Five countries of Central America will ask Brazil, Colombia and Mexico this week to withhold 15 percent of their exportable coffee crop in 1990 as part of an international effort to boost slumping world prices.

In December, Costa Rica, El Salvador, Honduras, Guatemala and Nicaragua agreed to hold back 15 percent of their 1990 exportable crop until the final three months of the year. The requests to the other countries are being made ahead of a meeting this week of the International Coffee Organization in London. Coffee prices have tumbled some 50 percent since the 74-member ICO voted to abandon its export quota system last July.

However, the Mexican Coffee Institute ruled out on Friday taking part in the Central American initiative, citing damage to the crop caused by a December freeze that was more serious than first thought.

"In the freeze we lost more than 20 percent of our exportable produce," Javier Gonzalez, a spokesman for the group. "Holding back anything more would be impossible." Mexico previously had estimated the damage at 11 percent of the crop.

For the Record

The U.S. Supreme Court on Tuesday will hear an antitrust challenge by the California attorney general to the $2.5 billion, 1988 merger of Lucky and Alpha Beta supermarkets, owned by American Stores Co. *(UPI)*

Axa-Midi Assurances may raise its capital by around $500 million if it wins control of U.S. group Farmers Insurance Co., Chairman Claude Bebear said in an interview with the French daily Temps de la Finance. *(Reuters)*

Tuskar Resources PLC of Ireland has discovered a field of about 300 million barrels of heavy crude oil in eastern Colombia, a reliable industry source said Saturday. *(AP)*

Générale Bank NV, Belgium's biggest commercial bank, said it expected to shed at least 1,000 jobs over the next few years as part of restructuring to cut annual staff costs of 32 billion francs. *(Reuters)*

Enimont SpA said that representatives of unidentified new third-party investors will join the board of the Italian chemicals group, which is controlled by Montedison SpA and state-owned Ente Nazionale Idrocarburi, next month. *(Reuters)*

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

The market weakened last week, under pressure from rising interest rates and nervous foreign-exchange trading, with the CBS index closing Friday at 196.4, down from 201.1 a week earlier.

Total stock turnover fell to 2.6 billion guilders, from 2.4 billion the week before.

The Kempen & Co. brokerage said that the market was expected to weaken further, adding that it saw no reason to revise its pessimistic short-term forecast.

Frankfurt

Frankfurt Stock Exchange prices gained on the week, helped by strong foreign investment interest, but failed to match the record highs set the previous week.

The DAX index ended the week 35.66 points higher, at 1,855.66, while the Commerzbank index also finished higher, gaining 55 points to close at 2,286.2.

Despite technical corrections, share prices have gained an average of 5 percent since the start of the year.

Volume on West Germany's eight exchanges reached 60.67 billion Deutsche marks last week, compared to 47.21 billion DM the week before.

Japanese investors showed strong interest in West German blue chips. In automobiles, Daimler-Benz gained 51 DM to finish at 874, while Volkswagen was up 17.40 to 558. Among electronics, the ailing firm Nixdorf Computer jumped 42.40 DM in a single session Wednesday, to finish at 335, after Siemens AG announced it had acquired a stake.

Hong Kong

Sharp exchanges between Hong Kong and Chinese officials in Beijing last week checked an initial bullish mood on the Hong Kong market, which is especially sensitive to political events in China.

The barometer Hang Seng Index ended the week just four points higher, at 2,835.94, after inching up 3.37 points the previous week. The broader-based Hong Kong Index advanced 3.28 points to close the week at 1,861.37.

Average daily turnover rose to 687 million Hong Kong dollars from the previous week's 542 million.

A reportedly tense atmosphere during meetings in Beijing between Hong Kong's governor, Sir David Wilson, and Beijing officials, triggered a drop of 19.58 points in the index Friday, erasing most of earlier gains. Hong Kong reverts to Chinese rule in 1997.

London

The sharp slide in Tokyo stock prices Friday hit the vulnerable London market, wiping out what remained of New Year gains, and more, after an already difficult week.

The Financial Times-Stock Exchange 100-share index ended 64.4 points lower on the week, at 2,380.1.

With shares already under pressure from growing inflation concerns, fed by Ford U.K. workers' rejection of a 10.2 percent pay offer, London shares were running for cover by Friday.

Insurances were among the worst performers of the week after a rash of profit downgradings by brokers.

But the recently privatized water shares held steady, after several water companies turned in encouraging half-year results and optimistic predictions for annual profits.

Eurotunnel followed an erratic line before ending the week lower.

Milan

Share prices rose on balance in a fluctuating market last week, with brisk trading brought on by the lira's devaluation and technical factors. The MIB index gained 0.88 percent on the week, to close at 1,030 points. The Comit indicator finished at 706.9, up 0.83 percent.

Trading volume was three times higher than the previous week, averaging 330 billion lire a day, with 78 million shares changing hands.

Attention was focused on banks, particularly Comit, which rose 7.28 percent on the week, and Mediobanca, up 3.56 percent. Insurance stocks lost ground, with RAS shedding 6.91 percent and Generali down 1.54 percent.

Paris

The Bourse had a difficult week, pressured by falls on other stock exchanges, with the CAC-40 index losing 13 percent on the week amid concern over rising interest rates and a fluctuating franc.

The week's final session was marked by the announcement that Air France was buying a controlling stake in France's leading private airline UTA from Chargeurs SA, giving the national carrier almost complete control of France's international air services.

The franc, which slipped early in the week, revived toward the end, but the stock market was affected by gloom over the currency and persistent tension on short-term interest rates.

Singapore

The market saw active trading that pushed share prices to record highs last week. The Straits Times industrial index hit a historic 1,569.52 points at midweek before finishing slightly lower, at 1,559.17, up 27.70 points on the week. The SES all-share index climbed 4.71 points to close the week at 430.88.

Weekly turnover dropped to 233.25 million shares, from 354.47 million the previous week. That figure excluded Malaysian counters traded on the over-the-counter market.

Tokyo

Prices fell further last week amid growing concern about inflationary pressures, higher interest rates and the persistent weakness of the yen against the dollar.

The key indicator, the Nikkei average, fell 757.99 points, or 2.0 percent, to finish the week at 37,516.77, following a 641.11-point fall in the first week of the year when the market was open just two days. The 225-stock average has fallen 3.6 percent since the start of the year.

The Tokyo Stock Price Index, or Topix, fell 48.14 points to 2,786.47.

Daily average turnover fell to 569.6 million shares from 614.4 million the week before, though value turnover increased.

On Friday, the Nikkei plunged 653.36 points, or 1.7 percent from the previous day, the sharpest drop since Nov. 10, 1987.

Zurich

Stocks edged forward last week, despite falls on other world markets, with the Swiss Performance Index gaining 11 points to finish the week at 1,151.2. The Swiss Bank Corp. indicator was unchanged at 670.4, but the Crédit Suisse index gained 24 points on the week to close at 627.7.

The Swiss market, heavily dependent on Wall Street, fell in the wake of Friday's downturn in New York.

Chevron Suit Undercut by U.S. Judge

United Press International

SAN FRANCISCO — A U.S. judge has dismissed the bulk of Chevron Corp.'s antitrust suit against Pennzoil Co. and characterized the sole remaining claim of fraud as "unquestionably weak."

Chevron, suspicious of what it feared were hostile takeover intentions by Pennzoil, filed suit Dec. 8 accusing the Houston-based oil firm of a "hidden agenda" when Pennzoil purchased $2.1 billion in Chevron stock.

San Francisco-based Chevron accused Pennzoil of violating the Hart-Scott-Rodino antitrust law and lying on a Securities and Exchange Commission filing, known as a 13-D, about the purpose of its stock purchase.

Pennzoil said in the 13-D filing it was a passive investor in Chevron.

U.S. District Judge Thelton Henderson kept alive Chevron's claim that Pennzoil misrepresented its current and future intentions in the Dec. 7, 1989, SEC filing.

But for the fraud claim, the judge wrote, "Chevron's factual support is unquestionably weak and certainly does not lead ineluctably to the conclusion or even demonstrate a probability that Pennzoil has filed a misleading Schedule 13-D; at best it creates a suspicion."

CHIPS: *Venture to Fold*

(Continued from first finance page)

Kane declined to comment on the reported closing on Saturday. The company has scheduled a news conference for Monday.

"I think what it indicates is the need for national policies that encourage a better investment climate for high-tech industries," said Robert S. Walker, ranking minority member of the House Science, Space and Technology Committee. He called for the enactment of the capital-gains tax reduction being advocated by the White House and the permanent extension of the research-and-development tax credit.

■ **Controversial Venture**

Andrew Pollack of the New York Times reported from San Francisco:

U.S. Memories would have been the first venture in which American companies cooperated in manufacturing. Its collapse could also discourage companies from trying similar ventures in other industries.

Some observers criticized U.S. Memories for philosophical reasons, saying that the costly venture would have needlessly departed from the established ways of doing business in the United States. These critics argued that U.S. Memories would stifle competition and the entrepreneurial spirit.

"The medicine was perhaps worse than the disease," said T.J. Rodgers, president of Cypress Semiconductor Corp. Mr. Rodgers's company might have found itself in competition with future products of the joint venture.

AERO: *Ford Motor Neglected Defense Division, Turning a Cash Cow Into a Liability.*

(Continued from first finance page)

property in Newport Beach runs through the year 2052, and real estate experts say it could be worth $100 million, if the property could be rezoned as residential.

"Ford Aerospace is one of the companies that never woke up to the realities of the 1980s and developed a cost-competitive strategy," said Michael Beltramo, a Los Angeles defense consultant. "If you had a list of defense properties for sale, Ford Aerospace would be way, way down on the list."

While Ford does not break out sales or profit figures for Ford Aerospace, the company confirmed that it has revenue of about $2 billion and says that it is profitable.

A spokeswoman maintains that the defense unit has one of its highest order backlogs ever, and that any problems are simply a function of defense spending cycles. In a statement issued late last year, John Slosar, vice president, said the company as a whole is "well positioned to grow in the 1990s, thanks to its particular areas of military expertise and its nonmilitary diversification."

But the company also acknowledges that nearly 70 percent of its business is with the military, and analysts are skeptical of the claim that its defense contracts will be relatively immune from budget cutting. "Everyone claims that," scoffed Steven Binder of Bear, Stearns & Co.

Mr. Beltramo, Mr. Grubbs and several other former managers and analysts maintain that the company's competitiveness — especially in the tactical-weapons business — has slipped dramatically in recent years.

Last year, Aeronutronic lost out on a huge contract to build a new anti-tank weapon for the U.S. Army with a bid that one source close to the situation said was absurdly high. Ford, said the source, offered a relatively low-tech proposal in the hope that the Army would opt for a cheaper system, but ended up with a higher bid than the winner Martin Marietta Corp., which proposed a far more sophisticated weapon.

Last year, Aeronutronic also ordered an unusual halt in all work at Newport Beach while quality control processes were reviewed, and more than 200 people were laid off during the year as a result of soft sales.

"If I could pick a firm to compete against, I'd pick Ford," Mr. Beltramo said.

Ford Aerospace traces its roots to Philco Corp., a defense contractor that Ford purchased in 1961. A year later, the firm was merged with Aeronutronic Inc., which Ford formed after its 1956 purchase of Systems Research Corp.

Through the 1960s, the company emerged as a major developer and manufacturer of missiles and missile-control systems, and the Western Development Laboratory in Palo Alto, California, established by Philco in 1957, carved out a presence as a satellite and space-systems contractor.

For Aeronutronic, the core operations that have carried the company to this day were in place by the mid-1960s. The Shillelagh guided missile program, which ended in 1971, was worth some $500 million to the company, while the Sidewinder air-to-air missile and the Chaparral ground-to-air missile — both based on relatively simple heat-seeking guidance systems — remain important programs.

In the 1970s, work moved forward on the Pave Tack bombing system, in which a laser beam is trained on a target while the actual explosives track the laser. The jets that raided Libya used this system as well as Ford's Forward Looking Infrared System, which allows pilots and gunners to "see" at night and under adverse weather conditions.

In 1978, Ford received its first contract for a prototype of an Army air-defense gun system, later known as Sergeant York. After persistent technical problems and some $1.3 billion in development costs, the then U.S. secretary of defense, Caspar W. Weinberger, canceled the program in 1985 and some 1,300 Aeronutronic workers were laid off.

Although the cancellation was viewed as a serious blow to the company, sources have said Ford was $200 million over budget and would have lost money if the Sergeant York had gone forward.

At its space-systems unit in Silicon Valley, meanwhile, Ford Aerospace carved out a market building satellites, ground stations and sophisticated tracking and control systems for the military. Those operations, combined with the electro-optic technologies associated with the Pave Tack and FLIR systems, have given Ford Aerospace a strong presence in the so-called C3I area: command, control, communications and intelligence.

The company was also able to develop a good business in managing flight-training ranges, building simulator systems for the military and performing engineering and support work for the National Aeronautics and Space Administration at the Johnson Space Center in Houston and for the Air Force North American Defense Command in Colorado Springs.

From the 1970s through the mid-1980s, the Aeronutronic division was doing extremely well, knowledgeable sources said, while the space-systems operations struggled. One high-ranking Ford Aerospace official said that the company was "delivering profits by the wheelbarrow back to Dearborn," where Ford Motor is based, with much of the success coming from lucrative missile export contracts.

But in the past few years, the official said, the company has begun to pay the price for sacrificing plant modernization and other expenditures during the profit-making years.

BANK: *Meeting to Establish Terms*

(Continued from first finance page)

ed States had agreed to the Community's call to give the Soviet Union an 8.5 percent stake, on the condition that Moscow would make its capital contribution in hard currency.

Several countries were uncomfortable with asking the East European nations to make capital contributions to a bank that is being set up to give them financial assistance.

Others that support East European membership say it is important for those nations to have a voice in shaping the bank's policies.

Under the Community's plan, the six East European nations would be asked to take a 6.5 percent stake among them.

Other members of the bank are to be Canada, Switzerland, Austria, Turkey, Australia, New Zealand, Yugoslavia, Malta and the Scandinavian nations.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 12.

Option & price		Calls Jan	Calls Feb	Puts Jan	Puts Feb
[illegible]					

Total volume 225,685
Open interest 2,768,361
r—Not traded. s—None offered. o—Old.

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, Jan. 12.

Option & price		Calls Jan	Calls Feb	Puts Jan	Puts Feb
[illegible]					

Total volume 716,486
Open interest 4,674,343
r—Not traded. s—None offered. o—Old.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
330 W 56 St NYC 10019
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

AT YOUR SERVICE
VIP ESCORT AGENCY LONDON
American Express Accepted
581 2811, 8AM-MIDNIGHT

MERCEDES
V.I.P ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON
(01) 351 6666

ARISTOCATS
London Escort Service
3 Shouldham Street, London W1
All major Credit Cards Accepted
Tel: 01-258 0090 (3 LINES)
12 noon - midnight

LONDON
KENSINGTON
ESCORT SERVICE
10A Kensington Church St, W8
TEL: 937 9136 or 937 9133
All major credit cards accepted.

LONDON
Portman Escort Agency
67 Chiltern Street
London W1
Tel: 486 3724 or 486 1158
All major credit cards accepted

MADRID SHADOWS
Escort Service
Telephone: 341-262.99.93

CROWN CLUB LTD
NEW YORK ESCORT SERVICE
(212) 688-2271

GENEVA * MELODIE
ESCORT SERVICE. Tel 022/46 11 58

CAPRICE-NYC
ESCORT SERVICE 212-737-3291

LONDON BRAZILIAN Escorts
. Tel: 01 724 5597/91. Open 7 dys.

* * Z U R I C H * *
Top Escort Service. Tel: 01/41 76 09

ZURICH 558720
Private Guide Service-Credit Cards

CHELSEA ESCORT SERVICE.
51 Beauchamp Place, London SW3.
Tel: 01-584 6513 Established 18 years.

LONDON EXCLUSIVE MALE
ESCORT SERVICE W8
TEL 01 376 2108/938 2790.

ROME GIRL ESCORT SERVICE.
Telephone: 06-6390053.
6pm - 10 pm

**** LONDON PARIS LINK ****
Anne + Claire French Exclusive VIP Escort Service. London (01) 351-1152

BRUSSELS. CATHY High Class Escort Service. Tel: (02) 734-1586 or (02) 733-3321. Credit cards accepted.

GENEVA FAVOURITE ESCORT and Guide Service. Tel: 022/21.97.46.

NEW IN BRUSSELS ! BACCARA !! Multilingual VIP First Class Escort Service. All credit cards. 02/374.99.06

- ZURICH - DOMINA LADY JANE Escort Service *** Credit cards. Tel: 01 / 252 73 59.

***** F R A N K F U R T *****
Princess Escort Service, 7 days.
Tel: 069 / 666 25 64.

LONDON PRIVATE
Elegant Sophisticated Escort Service. Call 01 792 2337 or 586 6262.

TOKYO *** TOP ESCORT SERVICE
Major credit cards accepted. Tel: (03) 436-4598.

GENEVA FIRST CLASS
Escort Service.
Tel: 022 / 735 12 67.

GENEVA *** ROYAL *** GENEVA
***** VIP ESCORT SERVICE *****
***** Tel: 022 / 781.27.72 *****

***** H A M B U R G *****
Escort Service ****************
**************** Tel: 040/553 41 45.

LONDON GEISHA SERVICE
For Oriental, Chinese, Japanese + Eurasians. Tel: 370 5957 credit cards.

NEW PREMIERE ITALIAN SCANDINAVIAN CONNECTION Escort Service in London. Tel: 01- 924 3767.

LONDON CLASSIC
Private Escort Service
Tel: 0836-313700.

MILAN VIP Escort Service (2)461125

MUNICH 98 69 25
Lorraine High Class Escort Service

Vienna Young escort service 833371

FRANKFURT * PRIVATE * Sophisticated Escort Service, Call: 069/444 798.

*** MADRID *** CHRISTIE *** Guide Service. Telephone: (341) 571 52 62.

ANABELS INTERNATIONAL Escort Service in Europe. Tel: Belgium 059/ 236672.

*** GENEVA DANY ESCORT *** and Guide Service. Tel: Geneva 022 / 735 68 23.

BRUSSELS NEW ILONA'S ESCORT Service. Multilingual. Tel: 02-733 88 47. Credit cards accepted.

* * * MUNICH * * * 91 23 14
ESCORT & GUIDE AGENCY.
THE FRIENDLY SERVICE.

DUESSELDORF-COLOGNE & AREA "Penthouse" High-Class Escort Service. Tel: 0211 / 49 16 33.

BRUSSELS AND AMSTERDAM LINK
** MARILYN'S ESCORT AGENCY **
Call Amsterdam: (31)-20-753878.

BRUSSELS JENNY TOP CLASS Escort Service. From 9 to midnight 7 days. Tel: 02/426-6514.

MADRID IMPACT ESCORT and Guide 11am - midnight. Tel: 261 4142

MONDAY SPORTS

Sooners Too Reserved for Texas

The Associated Press

Fourth-ranked Oklahoma may have found a team better than its first string: its second string.

Substitute Jackie Jones had 22 points, 10 rebounds and a school-record nine blocks, and the other Sooner reserves also got rolling Saturday in a 103-84 romp over Texas in Norman, Oklahoma.

"Fifty-some points off the bench, that's not bad at all," said Billy Tubbs, the Oklahoma coach. "Our bench carried us, I thought."

Reserves Smokey McCovery and Terrence Mullins added 17 points apiece as Oklahoma (12-0) won its 38th straight home game.

Reserves scored 33 of Oklahoma's final 41 points in the first half.

Jones and McCovery, junior-college transfers, got into the game when Oklahoma's starters ran into foul trouble.

Travis Mays led Texas (10-3) with 21 points, but was just 7 for 25 from the field.

No. 1 Kansas 91, Oklahoma St. 77: Pekka Markkanen sparked a 12-0 run midway through the second half that led Kansas over Oklahoma State in Lawrence, Kansas.

The Jayhawks (18-0, 2-0) led 57-56 with 14:24 left in the Big Eight game before their spurt. Markkanen scored five of his 11 points during the streak. Oklahoma State (8-5, 0-2) never led and lost to Kansas for the 14th time in 15 games.

No. 2 Georgetown 74, DePaul 64: Alonzo Mourning got 21 of his 26 points in the second half and Georgetown wore down DePaul in Rosemont, Illinois.

The Hoyas (13-0) took the lead for good at 53-52 midway through the second half on two free throws by Mark Tillmon, who finished with 21 points. David Booth scored 18 points as DePaul (8-8) had its five-game winning streak stopped.

No. 3 Michigan 87, No. 16 Minnesota 83: Rumeal Robinson scored 26 points and Terry Mills and Sean Higgins each got 23 as Michigan held off Minnesota in a Big Ten game in Ann Arbor, Michigan.

Mills, 11-for-11 from the foul line, made two free throws with 27 seconds left for an 86-83 lead. Robinson added another free throw with six seconds remaining. In beating the Gophers (10-3, 1-2), the Wolverines (11-2, 1-1) rebounded from a loss at Indiana.

No. 5 Missouri 111, Nebraska 95: Doug Smith scored 31 points, Anthony Peeler had 29 and Missouri pulled away in the second half of a Big Eight game in Lincoln, Nebraska.

Missouri (15-1, 2-0), leading by a point, used a 9-0 run to take control with 12:39 left. Carl Hayes scored 20 for the Cornhuskers (6-7, 0-2).

No. 6 Syracuse 81, Boston College 66: Stephen Thompson scored 23 points, Derrick Coleman had 20 and 15 rebounds and Billy Owens added 19 points as the Orangemen broke open a close Big East game midway through the second half in Newton, Massachusetts.

Syracuse (12-1, 3-1) went on a 13-4 surge in a three-minute span and continued to widen the margin, to as many as 19 points, over the Eagles (6-8, 0-4).

No. 7 UNLV 82, Temple 76: Larry Johnson made six consecutive foul shots in the last 34 seconds and got 26 points as the University of Nevada-Las Vegas (10-3) beat Temple (6-6) in Philadelphia.

No. 8 Illinois 85, Northwestern 78: Marcus Liberty scored nine of his 26 points in a 14-2 second-half burst in the Big Ten as the Illini (12-1, 2-1) won in Evanston, Illinois.

No. 9 Georgia Tech 92, North Carolina State 85: Brian Oliver scored 27 points and Georgia Tech made 10 of 13 foul shots in the final two minutes win an Atlantic Coast Conference game in Atlanta.

The Yellow Jackets (11-1, 1-1) led by 15 points in the first half and, after the Wolfpack (12-3, 1-1) came back to tie, again ran up a 15-point lead.

No. 10 Duke 91, Maryland 80: Sophomore Christian Laettner scored 20 of his career-high 27 points in the first half of the ACC game and Duke (12-2, 3-0) beat Maryland (10-5, 2-2) in Durham, North Carolina, for its ninth straight victory.

No. 12 Arkansas 93, Texas Christian 79: Todd Day, who sat out the first half as a disciplinary measure for missing curfew, got 17 points, six assists and four steals in the second half as Arkansas rallied in Fayetteville, Arkansas.

The Razorbacks (12-2, 4-0) trailed, 40-32, at the half, but rallied behind a swarming defense and pulled ahead of the Horned Frogs (7-7, 1-3) with 10:09 left on Day's two free throws.

Purdue 81, No. 13 Indiana 79: Tony Jones scored 21 points as Purdue rallied from a 16-point deficit, tied cold-shooting Indiana on Ryan Berning's basket with 35 seconds left in regulation and won in overtime in Bloomington, Indiana.

The victory put Purdue (11-2, 3-0) in first place in the Big Ten. Indiana (12-2, 2-2) was held without a field goal for more than 13 minutes, getting only 12 free throws over the final 8:40 of regulation and the first 4:38 of overtime.

No. 15 St. John's 71, Pittsburgh 70: Jayson Williams scored 16 of his 18 points in the last half and St. John's (14-3, 3-1) hung on to beat Pitt (5-9, 0-4) in a Big East game at Madison Square Garden in New York.

No. 19 UCLA 73, No. 18 Arizona 67: In Los Angeles, Don MacLean scored 18 points and Tracy Murray had 16 to lead UCLA (11-2, 5-0) past Arizona, ending the Wildcats' eight-game winning streak. The Pacific-10 victory was the Bruins' first in their last five meetings with Arizona and gave Jim Harrick, the second-year coach, his first triumph over Arizona (9-3, 4-3).

No. 20 Memphis St. 93, S. Mississippi 77: Elliot Perry had 28 points and nine assists as Memphis State (10-4, 2-1) pulled away to beat Southern Mississippi (7-5, 1-2) in a Metro Conference game in Memphis, Tennessee.

No. 22 Oregon St. 69, Oregon 67: Scott Haskin scored from underneath with one second to play to give the Beavers a comeback Pac-10 victory in Eugene.

Gary Payton, who scored 30 points, had given the Beavers (12-2, 5-0) their first lead at 63-62 on a field goal and free throw with 3:28 to play. His free throw tied the score for the first time at 58 following a foul by Terrell Brandon of Oregon (7-7, 2-3).

No. 23 Loyola Marymount 119, San Diego 112: Hank Gathers scored 32 points and Bo Kimble, the nation's leading scorer, added 28 for the Lions (11-3, 2-0) against host San Diego (6-9, 1-2).

No. 24 Alabama 62, Mississippi St. 57: Melvin Cheatum's basket gave Alabama the lead with 4½ minutes left and the Crimson Tide made six straight foul shots in the final 90 seconds in Starkville, Mississippi.

James Sanders scored 13 points for Alabama (12-3, 3-1) in the Southeastern Conference contest. Cameron Burns scored 23 for Mississippi State (8-5, 1-4).

No. 25 Xavier 82, Alabama-Birmingham 61: In Cincinnati, Michael Davenport scored 21 points and Xavier of Ohio (11-1) broke away from a halftime tie to win its 11th straight. Alabama-Birmingham (11-4) had its seven-game winning streak stopped.

No. 21 La Salle 86, Notre Dame 78: Lionel Simmons scored 27 points and became La Salle's all-time leading scorer as the Explorers (10-1) beat Notre Dame (7-5) on Friday night in Philadelphia.

Simmons surpassed the school record of 2,628 points by Michael Brooks, who played from 1976-80.

COLLEGE BASKETBALL

Davis Defeats Strange on 2d Playoff Hole

The Associated Press

BRISBANE, Australia — Rodger Davis of Australia eagled the second playoff hole Sunday, edging Curtis Strange of the United States to win the Daikyo Palm Meadows Cup golf tournament.

Saturday, the tournament had been stunned by the withdrawal of Greg Norman of Australia, the halfway leader. Before he was to start the third round, Norman said it had been brought his attention that he had broken a rule Thursday during the first round, and he disqualified himself.

Davis and Strange were at 17-under-par 271 after the final round over the 7,008-yard (6,400-meter) course. Strange, the defending champion, missed a 13-foot (four-meter) birdie putt on the 18th hole that would have won it.

The first hole of the sudden-death playoff was halved, but Davis then eagled the par-five second playoff hole for the victory.

Norman shot a course-record 63 on Friday to take a one-shot lead.

When he arrived at the course Saturday, he said he had breached game rules by taking illegal relief on the 10th hole on Thursday, when he shot 66.

"I had no intention of deliberately cheating," he said. "I couldn't go out and have my peers say I cheated. I have never cheated on a golf course in my life, and I never would. The game is too big and too good to be ruined by cheats."

Norman: Disqualifies himself.

AP

He also said his course record should be discounted.

Norman hit his drive into the water on the 10th fairway Thursday and believed he was entitled to take total relief from what he thought was a lateral water hazard.

"I dropped the ball but it rolled back towards the water and I had to stand in the hazard to play the shot," he said. "I dropped it again and then placed it, believing I had the right to get total relief."

He was advised Saturday that he had breached the rules.

"I don't care how it affects my world ranking or anything else, I just know in my own mind it's the right decision," he said.

■ Rookie Leads in Tucson

Robert Gamez, a 21-year-old rookie playing in his PGA Tour tournament, held a one-stroke lead Saturday after three rounds of the Tucson (Arizona) Open, The Associated Press reported.

He went in front with a three-under-par 69. Gamez, seeking to become the first since Ben Crenshaw in 1973 to win in his first event as a tour member, completed 54 holes in 200, 16 under par.

On Friday, David Frost, playing in Gamez's threesome, came within a stroke of the PGA Tour's 18-hole scoring record when he shot a 12-under-par 60 in the second round.

Only a bogey on the 16th hole prevented him from matching the record 59 that Al Geiberger shot at the 1977 Memphis Classic.

Frost, 30, one-putted 14 times and scored two eagles and nine birdies in only the eighth round of 60 ever recorded on the tour. The last 60 was shot by Sam Snead in the 1957 Dallas Open.

LSU-Kentucky Game a Battle — Between the 2 Coaches

The Associated Press

BATON ROUGE, Louisiana — Chris Jackson scored 28 points as 14th-ranked Louisiana State beat Kentucky, 94-81, but the lowlight of the game was a confrontation between the coaches.

With 4:48 left in the first half Saturday night, Kentucky's Jeff Brassow shoved Jackson. Jackson retaliated with a forearm to the chin.

Teammates separated the two, then the coaches, Rick Pitino of Kentucky and Dale Brown of LSU, stormed to the scorers' table to complain to officials. The coaches exchanged words, and Pitino charged Brown but was restrained by an official.

Brown drew back to throw a punch, but his assistant coach, Craig Carse, wrapped his arms around Brown and hustled him away.

Jackson and Brassow were charged with intentional fouls.

Pitino said that "Jeff just got suckered. Got slapped in the face. He didn't do anything, just backed off."

"I think Rick staged the whole thing," Brown said. "I think he was just trying to motivate his team. I'm not that good of an actor. I was pretty mad."

Pitino said that no sham was involved.

"I'm not going to tolerate anyone making a fist in one of my players' face," he said. "And then he got in my face with a fist.

"It has happened only twice in my career — once with John Thompson and again tonight. I was very concerned when John Thompson shook his fist at me. I was not that concerned about Dale."

Thompson, the coach of Georgetown, is a burly 6 feet, 10 inches (2.08 meters).

David Tulis/UPI

Rick Pitino, left, and Dale Brown, attacking a net after LSU beat Kentucky for the NCAA's Southeastern Regional title in 1986.

He'd Rather Run Than Drive, if NCAA Allows

2 Long Shots at Contest Win Marquette Sophomore a Car, and Trouble

The Associated Press

CHICAGO — Mike O'Hara loves to run for Marquette University, so much so that he has declined a new car and other prizes he won in a halftime contest at a basketball game because they jeopardized his eligibility.

Even so, the status of the 19-year-old sophomore from suburban Lombard is still in doubt because of National Collegiate Athletic Association rules that prohibit participation in such contests, an official at the school in Milwaukee said.

O'Hara, according to his father, decided Friday that he would rather run track and cross country on his partial scholarship than ride in the Ford Mustang GT he had won.

"He's an average runner," said Tom O'Hara, a Loyola and Olympic star who broke the world indoor mile record in 1963. "He just likes his coaches at Marquette, and he loves to run."

In the halftime contest of Thursday's Butler-Loyola game, O'Hara made a layup, a free throw and a 20-foot (6-meter) shot from the top of the foul circle to win a case of soft drinks, a Loyola sweatshirt and a coupon for a free pizza. Then he sank midcourt shots of about 53 and 47 feet to win two airline tickets and the automobile.

On Friday, he showed up at Loyola, which sponsored the contest, to sign affidavits attesting that he was giving up the car, the airline tickets, the sweatshirt, the pizza coupon and half a case of sodas.

He couldn't return the whole case, his father said, because he and friends drank some of it in celebration Thursday night before they were fully aware of the NCAA rules about athletes accepting gifts.

Marquette has ruled O'Hara temporarily ineligible, pending what he hopes will be a reversal by the NCAA, whose rules say that student athletes "are not permitted" to compete in "random events, such as halfcourt basketball shoots," sponsored by a Division I college.

"There are reasons for the rules. They are just and good," said Tat Shiely, women's athletic coordinator and Marquette's compliance officer for NCAA regulations. "People find ways to use people."

Auto dealer Jerry Gleason, who offered the big prize, said he was astonished that anyone would have to contend with winning a car, mostly because he never expected any contestant to make two shots from midcourt.

"We never thought that would happen," he said. "We have insurance, Lloyd's and hole-in-one type of insurance, but that isn't supposed to happen."

SIDELINES

Zurbriggen Falls, Austrians Sweep

VAL BADIA, Italy (AP) — Richard Kröll, a member of the Austrian B-team, won his first World Cup race Sunday as Austrians swept a men's giant slalom.

Kröll, a 21-year-old from Ginzing whose previous best was 15th in a giant slalom last year, started from the 34th spot and outraced more experienced teammates Günther Mader, Rudolf Nierlich and Hubert Strolz. *(See Scoreboard)* Kröll tore knee ligaments in a spill three years ago, nearly ending his career.

World Cup leader Pirmin Zurbriggen of Switzerland, who had clocked the fastest time in the first heat, fell midway through the second heat, just after posting the best intermediate time.

"I made a minor mistake, but the extremely hard-packed course made it impossible to recover the balance," said Zurbriggen, often critical of courses made with artificial snow.

Italian organizers used snow-cannons to prepare the track for Sunday's race, originally scheduled for Kranjska Gora, Yugoslavia, and moved during the dry spell that has disrupted World Cup racing this year.

Sarec, Walliser Win Women's Races

HAUS IM ENNSTAL, Austria (AP) — Veronika Sarec of Yugoslavia, who last week failed to finish in two races, won her first World Cup race Sunday in a women's slalom.

Vreni Schneider of Switzerland, who won 14 World Cup races last year, fell in the second run. It was the first time since January 1988 that she had not finished a race, and her first fall since a race in Piancavallo, Italy, in December 1987.

Sarec, who finished ahead of Austrians Monika Maierhofer and Claudia Strobl, said, "I had a lot of luck today. I made two small mistakes and also Vreni didn't finish."

Maria Walliser won Saturday's downhill at Haus, site of her first major downhill victory, as she edged Petra Kronberger of Austria by just six-hundredths of a second.

Reuters

Walliser: A downhill victory.

Berlin Officials to Meet on Olympics

WEST BERLIN (WP) — West Berlin's mayor, Walter Momper, is to meet Monday with East German sports administrators and East Berlin city officials to work on a joint bid to hold a "Peace Olympics" in the reunited city in 2000 or 2004.

Momper said the meeting would be to compare sports and hotel facilities and decide how much construction is necessary to meet Olympic standards.

"The Summer Olympics in Berlin are more than possible," he said. "We can manage 2004 or even 2000. We want a Peace Olympics in Berlin, a milestone to show the world that the Cold War is over."

East German officials, after initial reluctance, have agreed to a joint Games, with both Prime Minister Hans Modrow and the East German Sports Federation approving the idea.

For the Record

Kerry Saxby of Australia trimmed 15 seconds off her own mark to set a world record of 20 minutes, 17.19 seconds for the women's five-kilometer walk at an international track and field meet Sunday in Sydney. *(AP)*

Italian soccer fans are staying away from matches because of violence, 74 percent of those asked said in nationwide poll taken by the Milan daily Corriere della Sera; the poll was taken two weeks after the Italian league reported that attendance had dropped by 500,000 in the first half this season, for a loss of $4.6 million despite an average 10 percent increase in the price of tickets. *(AP)*

Diego Maradona has been fined 10 million lire ($7,700) by the disciplinary commission of the Italian league for alleging that the World Cup draws were fixed, but escaped being suspend for any matches. *(AP)*

Saleva Fuaoli Atisanoe, the Hawaiian sumo wrestler who competes under the name Konishiki, has had his hopes of advancing to yokozuna, the sport's top rank, dealt a sharp blow by defeats Friday and Saturday. *(AP)*

Stanley Brundy, a forward with the New Jersey Nets, has been suspended for the rest of the season after failing an NBA drug test; he is the first rookie to be suspended since random drug testing of first-year players began in 1988. *(AP)*

Cecil Fielder, who hit 38 home runs for the Hanshin Tigers in Japan last season, reportedly has agreed to a contract to play for the Detroit Tigers this season. *(UPI)*

Yoo Myong Woo of South Korea retained his WBA junior flyweight title Sunday on a seventh-round technical knock out of Hisashi Tokushima of Japan after knocking his opponent to the canvas five times in Seoul. *(AP)*

Baek In Chul of South Korean defended his WBA super-middleweight crown Saturday by knocking out Yoshiaki Tajima of Japan in the second round in Seoul. *(UPI)*

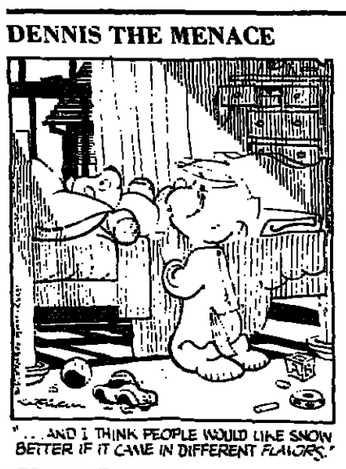
Ralph Sampson, the center sidelined most of this NBA season because of a slow recovery from knee surgery, has been activated by the Sacramento Kings. *(UPI)*

Raad Krol has been fired as coach of KV Mechelen, the defending Belgian League soccer champion, and temporarily replaced by Fiez van Hoof. *(UPI)*

Seize the world.

The International Herald Tribune. Bringing the World's Most Important News to the World's Most Important Audience.

DENNIS THE MENACE



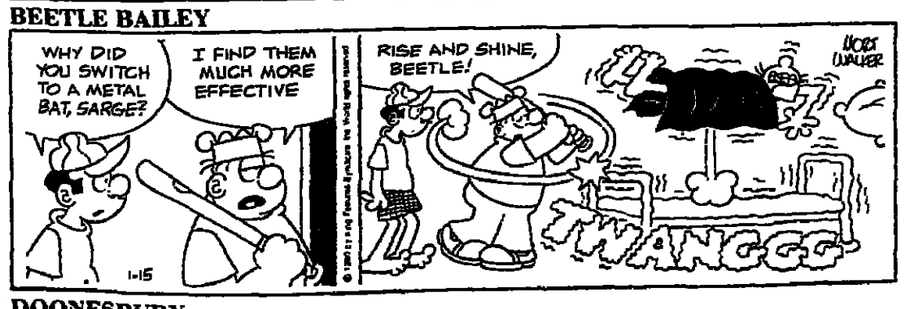
PEANUTS

ANDY CAPP

BLONDIE

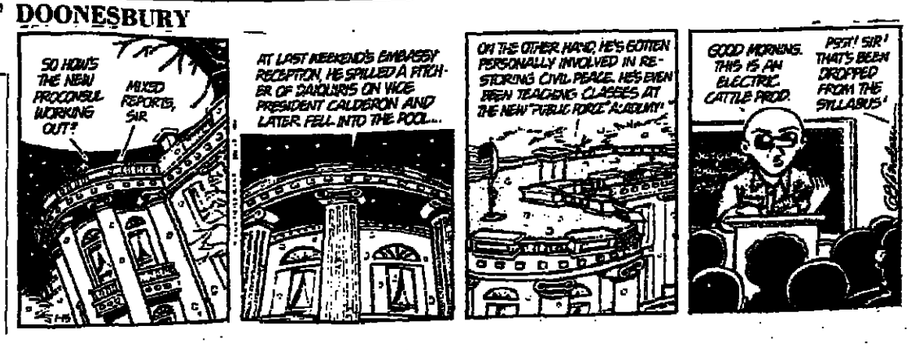
WIZARD of ID

BEETLE BAILEY

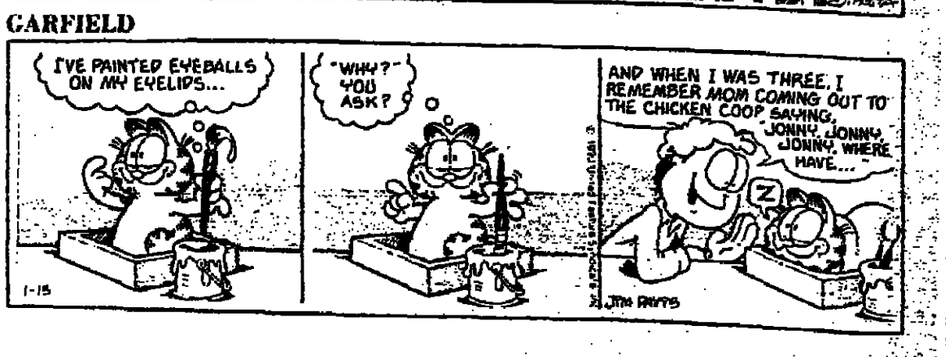


REX MORGAN

DOONESBURY



GARFIELD



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

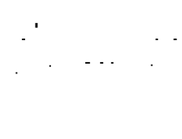
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NAHVE

TALAN

BOALIN

LESTED



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

ANSWER: WHAT "____" ____ (Answers tomorrow)

Saturday's Jumbles: GAILY SWISH GRAVEN CAUPH
Answer: They resided on the roof because they loved this— HIGH LIVING

SCOREB

NBA Standings

EASTERN CONFE
Atlantic Divi

	W	L
New York	25	10
Boston	21	14
Philadelphia	19	16
Washington	14	21
New Jersey	11	24
Miami	7	30
Central Divis		
Detroit	25	12
Chicago	22	12
Indiana	21	15
Atlanta	18	15
Milwaukee	19	16
Cleveland	15	18
Orlando	10	26
WESTERN CONFE		
Midwest Divis		
San Antonio	W	L
Utah	23	9
Denver	23	11
Dallas	21	15
Houston	17	18
Charlotte	16	19
Minnesota	7	25
	7	28
Pacific Divisi		
L.A. Lakers	25	8
Portland	24	11
Phoenix	17	14
Seattle	17	16
Golden State	16	17
L.A. Clippers	15	19
Sacramento	8	25

FRIDAY'S RESU

San Antonio
Dallas
Anderson 6-13 9-12 21, Comm
Johnson 4-19 6-7 16; Lewis 9-2
14 3-4 17. Rebounds: Son An
Utah 70, Boston 54 (McHale,
Jazz, San Antonio 20 (Cheek
Johnson 6).
Minnesota
Philadelphia
Price 5-15 9-10 20, J.Whitle
Tolley 6-14 2-7 21, Anders
Mitchell 7-12 2-4 17, Rebound
Prince 9), Philadelphia 37 (
Tolley 7), Assists: Cleveland 22 (
Philadelphia 24 (Barkley 7).
New York
Atlanta
Fleming 7-16 6-10 20, G.Whitle
Wilkins 18-34 5-6 26, Smits 7-
Smits 9), Rebounds: New Y
Atlanta 56 (Thompson 13
Smits 10), Assists: New Y
(Jackson 5), Indiana
Orlando
Tarpley 11-28 6-7 28, Cort
Jones 8-15 5-6 23, Dumars 7
Detroit: Minnesota 41 (Corne
Dumars 15), Assists: Minn
Detroit 28 (Thomas 12),
Seattle
Houston 19-28 7-9 45, Pippen
Drexler 10-14 6-8 26, Chapman 1
Houston: Chilcutt 46 (Pippen,
Drexler 53 (J.R.Reid 12), Ass
Houston 31, Charlotte 29 (Bo
L.A. Clippers
Milwaukee
Thorpe 8-18 7-8 23, Smith 8-15
Williams 5-13 4-6 14, Humphries 8-15 4-4 20,
Rogers 39 (Benjamin 16),
Sacramento 33, Atlanta 103, Assists:
Denver 101, Milwaukee 15 (

MONDAY SPORTS

VANTAGE POINT/Tom Callahan

It's a Farce of a Fight

Washington Post Service

WASHINGTON — Don Elbaum, a bulb-nosed fight promoter from Cleveland, once matched the two worst heavyweights he could find, stipulating that the loser retire forever. It was a draw, of course.

George Foreman and Gerry Cooney are being brought together Monday night in the same spirit of sophistry, curiosity and good fun. Boxing has staged burlesques before, when nothing much to speak of happened. But the wrinkle this time is that there are two — count 'em, two — baggy-pants comics.

Any similarity to wrestling is coincidental — and unfair to wrestling. Wrestling is an honest morality play pitting the Forces of Good (the plowboys, cowboys, choirboys and noncommissioned officers) against the Emissaries of Evil (the Nazis, professors, sheiks and such) with the outcome tilted slightly in favor of the good guys. Monday night in Atlantic City, New Jersey, there will be only fall guys.

Foreman stepped on his first banana peel way back in 1974 in 20th of May Stadium in Kinshasa, Zaire, at 4 o'clock in the morning. Before dangling his title in front of Muhammad Ali, the undefeated ruffian from Houston bragged that most of his fights had taken place around 4 A.M.

Any similarity to wrestling is coincidental — and unfair to wrestling.

Of the 40 bouts on Foreman's official log, two knockouts were especially persuasive. He hit Ken Norton the way an iron ball hits a tenement. And he made Joe Frazier run for the first time in his life. Noting that Norton and Frazier had been going the distance and losing specious decisions to Ali, the literati were convinced: The only way to beat Foreman was to shell him for three days, then send in the infantry.

A few minority opinions were faintly heard. "For all his strength," observed a minor pro named Hedgemon Lewis, "George Foreman does nothing really well. He is just a street fighter who carries the brawl into the ring."

Eight rounds later, with Foreman on his back, Ali's trainer delivered the eulogy. "He's only human," said Angelo Dundee. "My guy ain't."

Foreman's humanity was confirmed by a loss to Jimmy Young and, in a way, by a victory over Ron Lyle. Foreman stopped Lyle, but not before they knocked each other down in a fight that only illustrated Lewis's point. Discouraged by his ordinariness, Foreman turned to preaching and, apparently, pie-eating contests. He put on more than 100 pounds (45 kilograms) and disappeared.

Cooney's Zaire was Las Vegas in 1982, his Ali was Larry Holmes. But he is a big man of 6 feet, 6 inches (1.95 meters) with a tiny voice of 5-foot-6, who abhors cruelty in general and dislikes fighting in particular. Inspired by the Errol Flynn movie "Gentleman Jim," he assumed the name Gentleman Gerry and set out from Long Island, and a household of boisterous brothers, determined to make his tough Merchant Marine and ironworking father love him the best.

Under the category of nobody-could-make-this-stuff-up, Cooney was squired through the ranks by Dennis Rappaport, who had a singular credential: As a child he was aced out by the psychologist Joyce Brothers in the boxing finals of "The $64,000 Question." Suggesting that he, too, had seen a movie — "The Harder They Fall" — Rappaport fattened Cooney with toothless tigers the likes of Lyle and Norton (creaking by this time), then threw him to the lion.

Reflecting amateurishness more than viciousness, Cooney struck Holmes a profusion of low blows, including one that required an intermission. Above the belt, however, it was a 13-round no-hitter.

Thunderclouds have lightning and Cooney has his left hand, but his right seems to be fashioned of velveteen over goose down. Most unhappily of all, as Michael Spinks would also demonstrate, he has no idea how to defend himself. Fortunately, Cooney managed to stay out of the ring for all but about an hour and a half of the 1980s.

In contrast to Foreman, he turned to liquor instead of licorice, and is frothing now with genial stories of the alcoholism lining his face at 33, and the lovely people he met at the meetings. Foreman will be either 41 or 42 on Jan. 22. Archie Moore, who is either 73 or 76, is in Foreman's corner to imply that age and weight are piddling details.

Contradicting his mother's account of both the date and the place of his birth, Moore was the light heavyweight champion of the world at either 44 or 47, the pride of Mississippi, Missouri or Illinois. Officially, his record was 38-3-2 after the age of 42, and droopy shorts that accommodated a bulging waistline accompanied his legend.

"You can eat as much as you like," Moore liked to say while training, "as long as you don't swallow it." In exchange for a red turtleneck sweater, he ultimately acquired a secret diet from an Australian aborigine ("Did you ever see a fat aborigine?"), but the benefits are hard to detect on Foreman. If this is not the opponent Cooney has been waiting for all this time, he might consider another trade.

The winner might be the loser Monday night. Down the road, he may be served to Mike Tyson. Then the calliope will stop playing. Even in clowning, there is safety in numbers. One of these poor men will not just be left standing. He will be left alone.

Elway Passes Broncos Past Browns for AFC Title

Bill Haber/The Associated Press

The Browns' safety, Felix Wright, unsuccessfully attempted to steal the ball from Bronco running back Steve Sewell early in the game.

Compiled by Our Staff From Dispatches

DENVER — The radar-like strikes of John Elway rebuffed two Cleveland comeback bids Sunday and propelled the Denver Broncos into the Super Bowl for the fourth time with a 37-21 American Football Conference title victory over the frustrated Browns.

For the third time in four years, the Broncos stopped the Browns one step short of the National Football League's main event. And Denver did so Sunday thanks to a championship performance from its quarterback.

Elway threw three touchdown passes and set up 10 more points with his own scrambling runs.

He enjoyed his best game of the season and his best ever in the playoffs, throwing for 385 yards and three touchdowns and taking Denver on scoring drives of 82, 80, 80 and 60 yards.

Despite a struggling afternoon by Cleveland quarterback Bernie Kosar, the Browns fought back from a 17-point deficit during a wild third period to close to 24-21 going into the final quarter.

After being held scoreless in the first half, Cleveland produced three touchdowns in the third period on catches of 27 and 10 yards by Brian Brennan and a two-yard run by Tim Manoa.

But Elway promptly guided his team 80 yards, finishing the drive with a 39-yard touchdown throw to Sammy Winder. That gave the Broncos a 10-point lead and Denver's defense — which led the NFL in fewest points allowed this season — finished off Cleveland's chances with two fourth-period interceptions.

Elway's other touchdown passes were of 70 yards to Michael Young in the second quarter that gave the Broncos a 10-0 halftime lead and of five yards to tight end Orson Mobley during a 35-point third period.

Winder also scored on a seven-yard run in the third period that gave Denver a 24-7 lead and David Treadwell kicked three field goals for the Broncos, of 29 yards in the first quarter and 34 and 31 yards in the fourth period.

Winder, an eight-year veteran, had lost his starting job to rookie Bobby Humphrey this season. While Humphrey rushed for 1,151 yards, Winder had 800 fewer.

But Winder got into the game Sunday when Humphrey went out with bruised ribs in the second quarter.

The AFC West champions dominated through most of the game as Kosar struggled against the No. 1 defense in the AFC.

Elway, meanwhile, was sensational.

Coming off his worst season since he was a rookie, he hit 20 of 36 passes and was named the game's most valuable player. His scrambling offset Cleveland's pass rush and his passing on the run was as sharp as ever. He drew a key pass interference penalty as an intended receiver to set up one touchdown, and he even saved a touchdown — albeit only briefly — by forcing the Browns' player out of bounds on the one-yard-line after a Denver turnover.

Twice during the unseasonably warm, sunny afternoon, the Browns staged comebacks that seemed to give them the momentum they needed to win their first Super Bowl trip.

The first of those comebacks came early in the second half when Kosar led the Browns 70 yards and hit Brennan with a 27-yard scoring throw that moved Cleveland within three points.

Elway and the Broncos, however, responded with two quick touchdowns — the five-yard Elway throw to Mobley and Winder's seven-yard run — to apparently put the game away at 24-7.

Cleveland, however, came right back with two scores of its own, driving 72 yards with Brennan making a sensational catch for the touchdown and then getting an easy six points when safety Felix Wright plucked a Melvin Bratton fumble out of the air and carried it to the Denver 1-yard line.

To that point, this AFC title game was almost identical to the one these two teams played two years ago — one that was not decided until the final seconds.

But this time Denver dominated the fourth quarter, not only scoring 13 points during the period but not allowing the Browns past their own 20-yard line.

The game turned on two plays in the first six minutes of the second quarter and one critical pass early in the fourth period.

After a series of poor throws, Kosar finally began to zero in on his targets as the second quarter got underway. Beginning at the Cleveland 20, Kosar hit Langhorne with a nine-yard throw and then drilled an 11-yarder to Webster Slaughter.

Those completions produced the first sustained drive of the game for the Browns and a 10-yard completion to Brennan carried Cleveland to the Denver 44-yard line.

A touchdown at that point could have changed the shape of the contest and it seemed as if the Browns were going to produce one when Langhorne broke into the clear.

If Kosar had led Langhorne, it would have been an easy touchdown. But even though the pass was underthrown, it seemed certain the Browns would have a big gain. The ball hit Langhorne in the chest at the eight-yard line and he dropped it.

That led to a Cleveland punt and, four plays later, Elway hit Young with the day's biggest pass.

Cleveland sent seven pass rushers after Elway, only to have the Denver offensive line do a remarkable job of keeping the heat off the quarterback.

Young, meanwhile, had bumped into Cleveland cornerback Frank Minnifield at the line of scrimmage and Minnifield fell down. Given the time to find Young, Elway fired the ball deep.

Young scurried down the sidelines with Minnifield in belated pursuit and was able to step out of a diving attempt at a tackle at the 10-yard line.

Then, with Denver clinging to a three-point lead in the fourth period, Denver faced a third-and-10 at its own 43. Elway threw an incompletion, but was given another chance when Cleveland jumped offsides and on the next play he hit Vance Johnson with a 20-yarder that kept alive what turned out to be the decisive touchdown march.

(UPI, AP)

Noah Rallies to Defeat Steeb

Zvereva Wins Her 2d Title, Chesnokov Upset by Davis

The Associated Press

SYDNEY — Yannick Noah of France defeated Carl-Uwe Steeb of West Germany, 5-7, 6-3, 6-4, on Sunday to win the men's singles title at the New South Wales Open tennis tournament.

It was the eighth-seeded Frenchman's first tournament victory in nearly two years.

Earlier, Natalia Zvereva of the Soviet Union recovered from a slow start to defeat Barbara Paulus of Austria, 4-6, 6-1, 6-3, in the women's final.

But another Soviet player, Andrei Chesnokov, was upset Sunday in the New Zealand Open in Auckland, losing to Scott Davis of the United States.

"At the end of the match it could have gone either way," said Noah, who rallied from 3-4 to win the last three games and cap a tournament in which he beat Ivan Lendl of Czechoslovakia, the world's No. 1 player, in the quarterfinals and Aaron Krickstein of the United States, the defending champion, in the semifinals.

The victory was Noah's first since February 1988, when he upset Jimmy Connors to win in Milan.

"I feel great," Noah said. "It's been a long time."

The victory stamped Noah as a threat in the Australian Open, the first Grand Slam tournament of the year, which begins Monday in Melbourne.

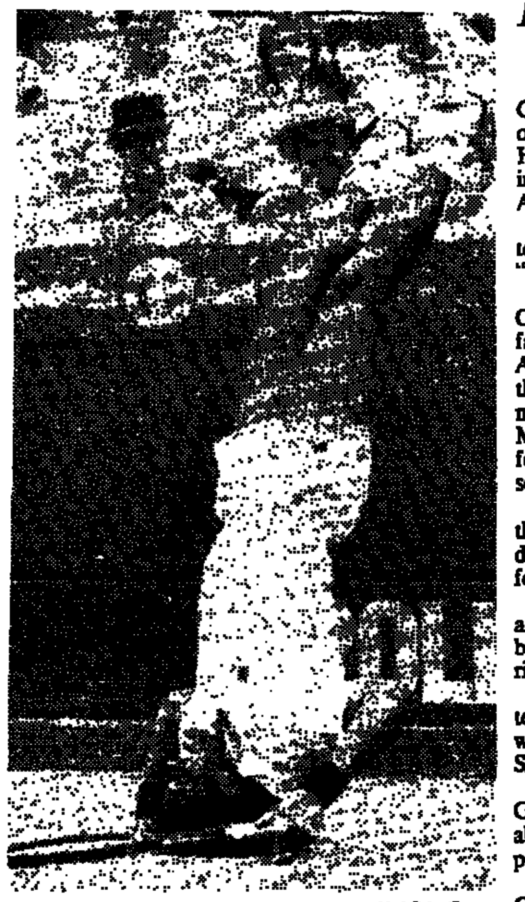
Steeb, ranked No. 16 in the world, came back to win the first set after being down by 2-5.

He rattled off five straight games, breaking Noah in the ninth and 11th. But from there the tide slowly moved Noah's way as his groundstrokes improved, and he wrapped up the match on the first of two match points with his 10th ace.

For Zvereva, the 11th seed, it was her second straight victory as a pro after winning last week's Queensland Open in Brisbane. She had played four years on the circuit without winning a title.

In Auckland, Davis, seeded eighth, wore down Chesnokov, the top seed, 4-6, 6-3, 6-3, in a two-hour match.

He broke Chesnokov's serve in the fourth game of the second set, then broke him at the start of the third set and again in the final game.



Mark Baker/Reuters

Yannick Noah found a turning point on Sunday.

In the men's doubles final Saturday in Sydney, Pat Cash, 24, the 1987 Wimbledon champion, teamed with compatriot Mark Kratzman to defeat the top seeds, Danie Visser and Pieter Aldrich of South Africa, 6-4, 7-5. It was Cash's first tournament since an Achilles' tendon operation last April.

Glanville Gets Falcons' Job

The Associated Press

SUWANEE, Georgia — Jerry Glanville, who quit his job as coach of the National Football League's Houston Oilers last week, was back in business Sunday as coach of the Atlanta Falcons.

"I can't tell you how happy I am to be standing here today," he said. "It's like a dream come true."

Glanville, 48, who departed the Oilers on Jan. 5 with an emotional farewell by the team's owner, Bud Adams, was an assistant coach of the Falcons from 1977 to 1982. He now fills the vacancy created when Marion Campbell resigned with four games remaining in the 1989 season.

The Falcons were 3-13, gaining the first selection in the 1990 NFL draft, and Glanville said the future for the team looks bright.

"I'm not coming here to rebuild a football team," he said. "The rebuilding started years before I arrived."

He said he agreed to coach the team on the basis of a handshake with its owner, Rankin M. Smith Sr.

"We never talked about money," Glanville said. "We never talked about years. It never became important."

Smith said he expected to sign Glanville to a four-year contract.

Ken Herock, the Falcons' director of player personnel, said Glanville got the job based on an interview two days before he left the Oilers.

Glanville had a 35-35 record in four full seasons at Houston, after going 0-2 in 1985 when he was named interim coach.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
New York	25	10	.714	—
Boston	21	14	.600	4
Philadelphia	19	16	.543	6
Washington	14	21	.400	11
New Jersey	11	24	.314	14
Miami	7	30	.189	19

Central Division

	W	L	Pct	GB
Detroit	25	12	.676	—
Chicago	23	12	.657	1
Indiana	21	15	.583	3½
Atlanta	18	15	.545	5
Milwaukee	19	16	.543	5
Cleveland	15	18	.455	8
Orlando	10	26	.278	14½

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
San Antonio	23	9	.719	—
Utah	23	11	.676	1
Denver	21	15	.583	4
Dallas	17	18	.486	7½
Houston	16	19	.457	8½
Charlotte	7	25	.219	16
Minnesota	7	28	.200	17½

Pacific Division

	W	L	Pct	GB
L.A. Lakers	25	8	.758	—
Portland	24	11	.686	2
Phoenix	17	14	.548	7
Seattle	17	16	.515	8
Golden State	16	17	.485	9
L.A. Clippers	15	19	.441	10½
Sacramento	8	25	.242	17

FRIDAY'S RESULTS

San Antonio 25 31 9 32—97
Boston 28 15 19 28—90

Anderson 6-13 9-12 21, Cummings 7-14 4-6 18, Robinson 6-19 6-7 18; Lewis 9-27 4-5 22, McHale 7-14 3-4 17. Rebounds: San Antonio 51 (Robinson 10), Boston 64 (McHale, Parish 12). Assists: San Antonio 20 (Cheeks 6), Boston 18 (Johnson 6).

Cleveland 18 25 31 29—113
Philadelphia 29 22 28 23—102

Price 10-15 9-10 30, J.Williams 9-11 4-5 22; Barkley 9-14 3-7 21, Anderson 8-14 5-6 21, Gminski 7-12 3-4 17. Rebounds: Cleveland 43 (Nance 9), Philadelphia 37 (Gminski, Howard 7). Assists: Cleveland 32 (Kerr 11), Philadelphia 26 (Barkley 7).

New York 27 20 24 18 12—101
Indiana 27 21 20 21 7—96

Ewing 7-16 6-10 20, G.Wilkins 5-11 7-7 18; Schrempf 10-14 5-6 26, Smits 7-21 8-8 22, Miller 6-21 9-10 22. Rebounds: New York 62 (Ewing 11), Indiana 56 (Thompson 13). Assists: New York 24 (Jackson 5), Indiana 21 (Fleming 6).

Minnesota 21 21 24 20—86
Detroit 25 23 21 28—97

Campbell 11-28 6-7 28, Corbin 7-11 3-4 17; Thomas 9-15 5-6 23, Dumars 3-8 13-14 19. Rebounds: Minnesota 41 (Campbell 7), Detroit 42 (Rodman 15). Assists: Minnesota 21 (Lowe 8), Detroit 26 (Thomas 13).

Chicago 29 31 28 19—107
Charlotte 27 26 24 18—95

Jordan 19-28 7-9 45, Pippen 7-11 2-4 16; Gilliam 10-14 4-8 24, Chapman 10-22 1-4 24. Rebounds: Chicago 46 (Pippen, Cartwright 8), Charlotte 51 (J.R.Reid 12). Assists: Chicago 27 (Pippen 9), Charlotte 29 (Bogues 12).

L.A. Clippers 25 28 25 16—95
Milwaukee 29 23 30 21—94

Harper 8-18 7-8 24, Smith 8-15 6-7 22; Pierce 8-15 7-7 24, Humphries 8-15 4-4 20. Rebounds: L.A. Clippers 59 (Benjamin 16), Milwaukee 56 (Roberts, Sikma 10). Assists: L.A. Clippers 25 (Harper 10), Milwaukee 15 (Humphries 4).

Sacramento 19 21 26 30—96
Phoenix 22 23 27 19—111

Ainge 6-10 3-3 16, Tisdale 5-11 5-6 15; Chambers 6-13 14-14 27, K.Johnson 6-14 3-3 16. Rebounds: Sacramento 43 (Tisdale 8), Phoenix 58 (West 10). Assists: Sacramento 25 (McCray 7), Phoenix 26 (K.Johnson 12).

Houston 32 29 15 22—98
LA Lakers 24 31 26 26—107

Olajuwon 8-17 2-2 18, Wiggins 8-18 2-2 18, Thorpe 4-8 4-6 12, Floyd 5-12 1-2 12; E.Johnson 8-16 15-16 31, Woolridge 8-11 1-4 17. Rebounds: Houston 52 (Olajuwon 11), Los Angeles 57 (Thompson, E.Johnson 11). Assists: Houston 25 (Floyd 11), Los Angeles 25 (E.Johnson 11).

SATURDAY'S RESULTS

Philadelphia 34 28 33 25—120
Washington 28 26 19 28—101

Barkley 8-16 6-7 22, Gminski 10-15 0-0 20; Colter 6-11 3-4 15, Walker 7-10 0-0 14. Rebounds: Philadelphia 52 (Barkley 13), Washington 46 (Grant 8). Assists: Philadelphia 30 (Dawkins 11), Washington 24 (King, Eackles, Colter 4).

Boston 27 30 24 24—105
Miami 27 23 26 20—96

Parish 10-19 10-12 30, McHale 8-17 10-11 26; Seikaly 10-23 8-13 28, Rice 13-26 1-1 27. Rebounds: Boston 69 (Parish 13), Miami 50 (Seikaly 18). Assists: Boston 16 (Bird 7), Miami 24 (Douglas 8).

New Jersey 25 22 25 24—96
Cleveland 35 17 17 29—98

Short 10-19 2-2 22, Blaylock 7-16 2-2 16; J.Williams 5-12 9-12 19, Price 4-11 7-7 16. Rebounds: New Jersey 49 (Hinson 10), Cleveland 53 (Dudley, Ehlo, Williams 7). Assists: New Jersey 26 (Conner 9), Cleveland 28 (Price 16).

Portland 23 32 22 29—106
Detroit 28 25 26 32—111

Drexler 8-15 1-2 17, Porter 6-13 2-2 16, Robinson 7-14 2-2 16; Dumars 12-19 3-4 27, Edwards 8-14 5-10 21, Laimbeer 10-13 1-1 21. Rebounds: Portland 48 (Williams, Duckworth 8), Detroit 59 (Laimbeer 12). Assists: Portland 28 (Porter 12), Detroit 32 (Thomas 11).

Milwaukee 26 30 31 22—109
Indiana 35 21 24 31—111

Pierce 7-16 5-6 22, Pressey 5-9 7-8 17; Person 11-19 4-4 26, Smits 7-13 7-7 21. Rebounds: Milwaukee 42 (Sikma, Robertson 6), Indiana 50 (Smits 13). Assists: Milwaukee 22 (Humphries 7), Indiana 23 (Fleming 9).

San Antonio 22 35 16 28—101
New York 23 21 27 36—107

Cummings 8-15 11-12 27, Robinson 12-20 3-6 27, Anderson 9-14 0-0 18; Newman 9-17 0-0 19, Oakley 6-10 6-7 18, Ewing 8-14 2-7 18. Rebounds: San Antonio 47 (Cummings 10), New York 52 (G.Wilkins, Ewing 9). Assists: San Antonio 27 (Anderson 7), New York 23 (G.Wilkins 7).

LA Clippers 21 20 34 36—111
Chicago 27 31 31 18—117

G.Grant 7-11 2-3 17, Wolf 7-13 3-4 17, Benjamin 4-10 8-10 16; Jordan 11-21 4-6 28, Paxson 8-11 0-0 16. Rebounds: Los Angeles 44 (Wolf 11), Chicago 50 (Pippen 11). Assists: Los Angeles 28 (G.Grant 7), Chicago 34 (Jordan 10).

Utah 27 20 34 28—109
Dallas 26 22 29 22—99

Malone 16-22 10-12 42, Stockton 6-12 8-11 20; Dantley 11-15 8-10 30, Williams 7-14 6-8 20. Rebounds: Utah 48 (Malone 12), Dallas 40 (Donaldson 9). Assists: Utah 25 (Stockton 12), Dallas 20 (Blackman 6).

Phoenix 28 19 29 33—119
Denver 29 19 28 35—111

K.Johnson 12-24 14-16 38, Hornacek 11-19 5-6 27; Hanzlik 5-11 9-13 19, Rasmussen 8-15 3-3 19, English 6-18 4-4 16, Davis 6-16 4-4 16. Rebounds: Phoenix 68 (West 15), Denver 55 (Lane 11). Assists: Phoenix 14 (K.Johnson 6), Denver 38 (Adams 9).

Atlanta 32 30 20 24—106
Seattle 29 22 25 27—113

Wilkins 9-23 10-10 28, Webb 8-10 2-2 18; McDaniel 13-19 7-8 33, McKey 9-13 1-2 19. Rebounds: Atlanta 35 (Wilkins, Willis 8), Seattle 51 (McDaniel 14). Assists: Atlanta 18 (Mathews 5), Seattle 29 (A.Johnson 11).

Orlando 38 26 30 33—127
Golden State 31 35 35 37—138

Catledge 18-29 13-15 49, Theus 11-23 6-6 28; Teagle 10-19 16-18 36, Marciulionis 11-14 10-11 33. Rebounds: Orlando 60 (Catledge 9), Golden State 53 (Mullin, Teagle 9). Assists: Orlando 25 (Theus 7), Golden State 31 (Hardaway 12).

Selected College Scores

FRIDAY'S RESULTS

Brown 67, Penn 65
Dartmouth 75, Columbia 73
Harvard 81, Cornell 79
La Salle 86, Notre Dame 78
Yale 39, Princeton 37
Miami, Fla. 94, Brooklyn Col. 61

SATURDAY'S RESULTS

EAST

American U. 60, East Carolina 50
Connecticut 79, Seton Hall 76
Dartmouth 75, Cornell 74
Drexel 73, Delaware 65
Fairfield 53, Canisius 49
Harvard 87, Columbia 74
Hofstra 71, Lafayette 64
Iona 69, Niagara 64
Lehigh 77, Bucknell 74
Loyola, Md. 82, Army 55
Maine 70, Colgate 62
Manhattan 77, St. Peter's 72, 2OT
Massachusetts 83, West Virginia 79
Navy 80, William & Mary 59
Northeastern 79, New Hampshire 69
Penn 69, Yale 62
Penn St. 93, St. Bonaventure 61
Princeton 64, Brown 53
Rutgers 78, Duquesne 67
St. Francis, Pa. 80, St. Francis, NY 71
St. John's 71, Pittsburgh 70
Syracuse 81, Boston College 66
UNLV 82, Temple 76
Vermont 77, Cent. Connecticut St. 65
Villanova 102, Providence 74
Wagner 93, Fairleigh Dickinson 70

SOUTH

Alabama 62, Mississippi St. 57
Appalachian St. 101, Citadel 64
Clemson 76, Wake Forest 57
Delaware St. 84, Howard U. 73
Duke 91, Maryland 80
E. Kentucky 61, Austin Peay 59
E. Tennessee St. 94, Furman 65
Florida 84, Auburn 62
Florida A&M 86, S. Carolina St. 76
Georgia 108, Vanderbilt 81
Georgia Tech 92, N. Carolina St. 85
LSU 94, Kentucky 81
Marshall 86, Tn.-Chattanooga 83, OT
McNeese St. 74, NW Louisiana 71
Memphis St. 93, S. Mississippi 77
Murray St. 79, Morehead St. 55
New Orleans 82, Oklahoma Baptist 59
North Carolina 92, Virginia 70
Richmond 87, George Mason 73
SW Louisiana 103, Cleveland St. 92
South Carolina 59, Cincinnati 53
Tulsa 63, Mississippi 47
Virginia Tech 72, Tulane 68
W. Carolina 72, VMI 66
W. Kentucky 69, Old Dominion 65

MIDWEST

Ball St. 105, Fla. International 50
Bowling Green 99, W. Michigan 75
Bradley 73, Wichita St. 65
Cent. Michigan 100, Ohio U. 88, OT
Dayton 88, Loyola, Ill. 71
Drake 79, S. Illinois 71
Evansville 56, Butler 57
Georgetown 74, DePaul 64
Illinois 85, Northwestern 78
Indiana St. 58, Illinois St. 43
Iowa St. 84, Davidson 71
Kansas 91, Oklahoma St. 77
Kent St. 79, Toledo 62
Miami, Ohio 94, E. Michigan 78
Michigan 87, Minnesota 83
Michigan St. 87, Iowa 80
Missouri 111, Nebraska 95
Ohio St. 68, Wisconsin 53
Purdue 81, Indiana 79, OT
St. Louis 68, Detroit 66
Wright St. 90, Youngstown St. 80
Xavier, Ohio 82, Ala.-Birmingham 61

SOUTHWEST

Arkansas 93, Texas Christian 79
Houston 83, Texas Tech 63
Lamar 76, E. Texas Baptist 70
Oklahoma 103, Texas 84
Rice 65, Baylor 62
SW Texas St. 88, Texas-Arlington 67

FAR WEST

Brigham Young 79, New Mexico 78
California 63, Washington 58
Colorado 79, Kansas St. 62
Colorado St. 66, Hawaii 64
E. Washington 71, Montana 70
Fullerton St. 76, Pacific U. 73
Gonzaga 63, San Francisco 61
Loyola Marymount 119, San Diego 112
Montana St. 86, Idaho 82
Nevada-Reno 59, Boise St. 53
New Mexico St. 88, UC Irvine 75
Oregon St. 69, Oregon 67
Portland 58, St. Mary's, Cal. 46
San Diego St. 72, Air Force 68
Santa Clara 72, Pepperdine 70
Southern Cal 69, Arizona St. 59
Texas-El Paso 71, Utah 60
UC Santa Barbara 82, Long Beach St. 67
UCLA 73, Arizona 67
Utah St. 77, San Jose St. 72
Weber St. 67, N. Arizona 49

TENNIS

SOUTH WALES OPEN
(In Sydney)
Men's Singles Semifinals

Carl-Uwe Steeb (7), West Germany, def. Mats Wilander (5), Sweden, 6-3, 6-2; Yannick Noah (8), France, def. Aaron Krickstein (3), U.S., 6-4, 7-5.

Final

Noah def. Steeb, 5-7, 6-3, 6-4.

Women's Singles Semifinals

Barbara Paulus (10), Austria, def. Judith Wiesner (16), Austria, 6-4, 3-6, 6-1; Natalia Zvereva (11), Soviet Union, def. Amy Frazier (14), U.S., 6-2, 3-6, 6-2.

Final

Zvereva def. Paulus, 4-6, 6-1, 6-3.

NEW ZEALAND OPEN
(In Auckland)
Men's Singles Semifinals

Scott Davis (8), U.S., def. Ramesh Krishnan, India, 5-7, 6-3, 6-4; Andrei Chesnokov (1), Soviet Union, def. Amos Mansdorf (5), Israel, 7-6 (7-3), 6-2.

Final

Davis def. Chesnokov, 4-6, 6-3, 6-3.

CRICKET

Australia vs. Pakistan
(In Melbourne, Day 2)
1st Innings: Australia 223-9
1st Innings: Pakistan 107, all out
(Day 3)
2d Innings: Australia 260-7
2d Innings: Pakistan 77-4

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
New Jersey	22	20	4	48	181	177
NY Islanders	20	21	4	44	160	165
Philadelphia	18	20	7	43	163	151
Pittsburgh	20	21	3	43	184	192
NY Rangers	17	21	8	42	145	155
Washington	18	24	4	40	152	167

Adams Division

	W	L	T	Pts	GF	GA
Boston	26	16	3	55	161	133
Buffalo	24	15	6	54	155	142
Montreal	23	18	6	52	152	136
Hartford	21	20	3	45	152	152
Quebec	8	30	6	22	136	203

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
Chicago	25	15	4	54	178	160
Toronto	23	22	1	47	201	207
St. Louis	20	18	6	46	157	146
Minnesota	21	22	3	45	153	168
Detroit	15	24	6	36	155	172

Smythe Division

	W	L	T	Pts	GF	GA
Edmonton	23	14	9	55	177	147
Calgary	20	15	11	51	186	155
Winnipeg	21	17	5	47	146	149
Los Angeles	20	20	5	45	198	187
Vancouver	13	25	8	34	139	167

FRIDAY'S RESULTS

Montreal 2 1 2—5
New Jersey 1 1 0—2

Skrudland 5, Keane 5, Carbonneau 11, Richer (2) 25; Huscroft 2, Sundstrom 16. Shots on goal: Montreal (on Terreri) 8-10-14—32; New Jersey (on Hayward) 9-9-3—21.

Pittsburgh 3 2 1—6
Washington 0 2 2—4

Tanti 15, Lemieux 32, Bourque (2) 13, Coffey 16, Recchi 14; Pivonka 13, Leach 12, Ridley (2) 16. Shots on goal: Pittsburgh (on Beaupre, Mason) 13-6-4—23; Washington (on Barrasso) 8-18-12—38.

SATURDAY'S RESULTS

N.Y. Rangers 1 1 1—3
Boston 1 1 0—2

Mullen 12, Mullen 13, Sandstrom 18; Bourque 9, Carpenter 14. Shots on goal: New York (on Lemelin) 7-5-5—17; Boston (on Richter) 11-13-13—37.

New Jersey 1 2 2—5
Quebec 2 1 1—4

Turgeon 24, Fetisov 4, Muller 19, Olanen 13, MacLean 25; Lafleur 11, Sakic 25, McKegney 7, Jackson 3. Shots on goal: New Jersey (on Millen) 5-15-10—30; Quebec (on Burke) 11-11-9—31.

Washington 2 0 0—2
N.Y. Islanders 0 3 1—4

Pivonka 14, Kleinendorst 1; Kerr 10, Flatley 10, Sutter 18, Sutter 19. Shots on goal: Washington (on Fitzpatrick) 16-7-8—31; New York (on Mason) 12-21-9—42.

Calgary 0 3 2—5
Toronto 1 2 3—6

Macoun 6, Makarov 11, Gilmour 13, Mullen (2) 18; Leeman 29, Damphousse 15, Olczyk (2) 22, Iafrate 11, Ramage 5. Shots on goal: Calgary (on Bester) 8-13-17—38; Toronto (on Wamsley) 9-6-9—24.

Philadelphia 2 0 0 0—2
Montreal 1 0 1 0—2

Poulin 8, Eklund 9; Richer 26, McPhee 6. Shots on goal: Philadelphia (on Hayward, Roy) 11-9-10-2—32; Montreal (on Peeters) 12-5-15-3—35.

Buffalo 1 3 1—5
Vancouver 1 1 1—3

Turgeon 20, Sheppard 1, Ramsey 3, Snuggerud (2) 6; Krutov (2) 8, McBain 7. Shots on goal: Buffalo (on McLean, Weeks) 8-10-7—25; Vancouver (on Puppa) 17-12-12—41.

Detroit 2 0 2—4
Minnesota 3 0 3—6

Chiasson (2) 10, Federko (2) 7; N.Broten 14, Gartner 26, Modano 16, Bellows (2) 29, Gagner 22. Shots on goal: Detroit (on Casey, Takko) 9-9-14—32; Minnesota (on St. Laurent) 12-9-14—35.

Hartford 3 1 2—6
Los Angeles 0 3 0—3

Verbeek (2) 23, Cunneyworth 10, Evason 11, Dineen (2) 15; Miller 4, Kudelski 13, Robitaille 33. Shots on goal: Hartford (on Hrudey) 14-13-16—43; Los Angeles (on Sidorkiewicz) 4-10-7—21.

SKIING

World Cup

MEN'S SLALOM
Sunday in Val Badia, Italy

1. Richard Kröll, Austria, 2:26:55; 2. Günther Mader, Austria, 2:26:63; 3. Hubert Strolz, Austria, 2:26:77; 4. Rudolf Nierlich, Austria, 2:26:77; 5. Ole Christian Furuseth, Norway, 2:27:02; 6. Fredrik Nyberg, Sweden, 2:27:08; 7. Lasse Kjus, Norway, 2:27:08; 8. Konrad Walk, Austria, 2:27:37; 9. Jonas Nilsson, Sweden, 2:27:43; 10. Hans Pieren, Switzerland, 2:27:63.

OVERALL STANDINGS

1. Pirmin Zurbriggen, Switzerland, 166 points; 2. Furuseth, 149; 3. Armin Bittner, West Germany, 129; 4. Mader, Austria, 115; 5. Bernhard Gstrein, Austria, 81; 6. Lars Boerje Eriksson, Sweden, 77; 7. Paul Accola, Switzerland, 72; 8. Franck Piccard, France, 71; 9. Marc Girardelli, Luxembourg, 64; 10. Konrad Ladstaetter, Italy, 63.

WOMEN'S SLALOM
Sunday in Haus, Austria

1. Veronika Sarec, Yugoslavia, 1 minute, 31:22 seconds; 2. Monika Maierhofer, Austria, 1:31:48; 3. Claudia Strobl, Austria, 1:31:58; 4. Ida Ladstaetter, Austria, 1:31:62; 5. Mateja Svet, Yugoslavia, 1:31:71; 6. Patricia Chauvet, France, 1:31:75; 7. Christine Von Grünigen, Switzerland, 1:31:80; 8. Kristina Andersson, Sweden, 1:32:52; 9. Natasa Bokal, Yugoslavia, 1:32:78; 10. Ingrid Salvenmoser, Austria, 1:32:97.

WOMEN'S DOWNHILL
Saturday in Haus, Austria

1. Maria Walliser, Switzerland, 1:37.97; 2. Petra Kronberger, Austria, 1:38.03; 3. Karin Dedler, West Germany, 1:38.49; 4. Veronika Wallinger, Austria, 1:38.58; 5. Sigrid Wolf, Austria, 1:38.59; 6. Katrin Gutensohn, West Germany, 1:38.65; 7. Miriam Vogt, West Germany, 1:38.69; 8. Ingrid Stöckl, Austria, 1:38.75; 9. Michela Figini, Switzerland, 1:38.84; 10. Michaela Gerg, West Germany, 1:38.97.

COMBINATION RESULTS
Saturday's downhill, Sunday's slalom

1. Kronberger 31.13 points; 2. Wachter 31.18; 3. Stoeckl 40.95; 4. Michaela Gerg, West Germany 43.79; 5. Bournissen 53.67; 6. Heidi Zurbriggen, Switzerland, 54.36; 7. Maria Walliser, Switzerland, 63.84; 8. Michelle McKendry, Canada, 67.27; 9. Anja Haas, Austria, 71.91; 10. Karin Dedler, West Germany, 81.85.

OVERALL STANDINGS

1. Wachter 180 points; 2. Kronberger 178; 3. Gerg 166; 4. Walliser 108; 5. Vreni Schneider, Switzerland, 105; 6. Michela Figini, Switzerland, Claudia Strobl, Austria, Dedler 73; 9. Regine Mösenlechner, West Germany, 69; 10. Veronika Wallinger, Austria, Monika Maierhofer, Austria 60.

SOCCER

BRITISH FIRST DIVISION

Charlton 0, Aston Villa 2
Coventry 1, Crystal Palace 0
Liverpool 2, Luton 2
Manchester United 1, Derby 2
Nottingham Forest 3, Millwall 1
Queens Park Rangers 2, Norwich 1
Sheffield Wednesday 1, Chelsea 1
Southampton 2, Everton 2
Tottenham 1, Manchester City 1
Wimbledon 1, Arsenal 0

Standings: Liverpool 43, Aston Villa 43, Arsenal 39, Southampton 35, Nottingham Forest 33, Tottenham 33, Derby 32, Everton 32, Chelsea 32, Norwich 31, Coventry 31, Wimbledon 30, Queens Park Rangers 29, Crystal Palace 26, Sheffield Wednesday 25, Manchester United 24, Manchester City 23, Millwall 22, Luton 21, Charlton 16.

SPANISH FIRST DIVISION

Real Madrid 1, Real Oviedo 0
Real Sociedad 2, Sevilla 1
Atletico 3, Sporting 1
Logrones 1, Valencia 0
Celta 5, Cadiz 1
Rayo Vallecano 0, Athletic de Bilbao 0
Barcelona 3, Zaragoza 1
Mallorca 1, Valladolid 1
Castellon 1, Osasuna 2

Standings: Real Madrid 31, Atletico Madrid 25, Barcelona 25, Valencia 24, Real Sociedad 24, Osasuna Pamplona 24, Real Oviedo 20, Real Mallorca 20, Real Zaragoza 19, FC Sevilla 19, Logrones 18, Sporting Gijon 17, Athletic Bilbao 17, Castellon 16, Cadiz 15, Real Valladolid 15, Malaga 15, Tenerife 13, Celta Vigo 12, Rayo Vallecano 11.

ITALIAN FIRST DIVISION

Ascoli 1, AS Roma 1
Atalanta 2, Lecce 1
Bari 0, Sampdoria 2
Cesena 1, Cremonese 1
Genoa 1, Fiorentina 1
Inter Milan 3, Bologna 0
Juventus 2, Verona 1
Lazio 1, AC Milan 3
Udinese 2, Napoli 2

Standings: Napoli 28, Inter Milan 27, Sampdoria 26, AS Roma 25, AC Milan 25, Juventus 23, Atalanta 23, Bologna 19, Lazio 18, Bari 16, Lecce 16, Fiorentina 16, Cesena 15, Genoa 14, Udinese 13, Cremonese 12, Ascoli 12, Verona 10.

DUTCH CUP

FC Twente 0, Ajax 2
Vitesse 1, FC Groningen 0
Emmen 1, NEC Nijmegen 0
Volendam 6, Halsteren 0
SVV Schiedam 0, Roda JC 4
FC Wageningen 0, Fortuna Sittard 1

GOLF

Leading scores after Sunday's final round in the $625,000 Daikyo Palm Meadows Cup golf tournament over the par-72, 7,008 yards Palm Meadows course:

Rodger Davis, Australia, 64-67-71-69—271; winner, on second playoff hole
Curtis Strange, U.S., 66-64-69-72—271
Mike Harwood, Australia, 67-66-69-71—273
Terry Gale, Australia, 72-68-69-66—275
Jon Evans, Australia, 75-64-66-70—275
Bradley Hughes, Australia, 66-67-71-71—275
Ryoken Kawagishi, Japan, 68-67-73-67—275
Peter Lonard, Australia, 69-73-63-71—276
Nobumitsu Yuhara, Japan, 70-71-68-68—277
Brett Ogle, Australia, 74-68-68-67—277
Isao Aoki, Japan, 65-67-73-72—277

FOOTBALL

AFC Title Game

Cleveland	0	0	21	0	—21
Denver	3	7	14	13	—37

First Quarter

Den—FG Treadwell 29, 12:59.

Second Quarter

Den—Young 70 pass from Elway (Treadwell kick), 9:03.

Third Quarter

Cle—Brennan 27 pass from Kosar (Bahr kick), 3:19.
Den—Mobley 5 pass from Elway (Treadwell kick), 7:00.
Den—Winder 7 run (Treadwell kick), 10:41.
Cle—Brennan 10 pass from Kosar (Bahr kick), 12:48.
Cle—Manoa 2 run (Bahr kick), 14:59.

Fourth Quarter

Den—Winder 39 pass from Elway (Treadwell kick), 2:25.
Den—FG Treadwell 34, 6:38.
Den—FG Treadwell 31, 13:00.
A—76,046.

	Cle	Den
First downs	14	22
Rushes-yards	14-66	39-120
Passing	190	377
Return yards	7	50
Comp-att-int	19-44-3	20-36-0
Sacked-yards lost	4-20	1-8
Punts	8-42	5-46
Fumbles-lost	3-0	2-2
Penalties-yards	8-55	1-5
Time of possession	23:07	36:53

INDIVIDUAL STATISTICS

Rushing—Cleveland: Mack 6-36, Kosar 2-22, Manoa 2-5, Metcalf 3-4, Langhorne 1-(minus 1). Denver: Elway 5-39, Winder 21-37, Humphrey 8-23, Sewell 4-17, Bratton 1-4.

Passing—Cleveland: Kosar 19-44-3-210. Denver: Elway 20-36-0-385.

Receiving—Cleveland: Langhorne 5-78, Brennan 5-58, Slaughter 3-36, Mack 2-8, Metcalf 2-7, Tillman 1-15, Manoa 1-8. Denver: Johnson 7-91, Sewell 3-55, Young 2-123, Winder 2-39, Jackson 2-25, Mobley 2-22, Humphrey 1-23, Bratton 1-7.

Missed field goals—None.

College Bowl Game

JAPAN BOWL
In Yokohama

East 24-10

HULA BOWL
In Honolulu

West 21, East 13

TRANSACTIONS

BASEBALL

American League

BALTIMORE—Rene Gonzales, third baseman, agreed to terms on one-year contract.

National League

CINCINNATI—Signed Dave Engle, catcher, and Mariano Duncan, shortstop, to one-year contracts.

MONTREAL—Traded Jim Dwyer, pinch-hitter, to Minnesota for Jim Davins, pitcher.

NEW YORK—Signed Pete Schourek, pitcher, and Jaime Roseboro, outfielder, to one-year contracts.

PHILADELPHIA—Signed Bruce Ruffin and Chuck Malone, pitchers; Tom Nieto, catcher; and Kim Batiste, infielder.

SAN DIEGO—Signed Ronn Reynolds, catcher, to minor league contract. Added Jeremy Hernandez, pitcher, and Kevin Garner, first baseman, to 40-man roster.

Frank Gehry: An Architectural Force for the Age

International Herald Tribune

PARIS — Until quite recently, the Los Angeles architect Frank Gehry was considered awfully interesting and even brilliant *with his playful sculptural forms* and use of cheap materials, but perhaps just a bit, well, Southern Californian. When a major Gehry

MARY BLUME

retrospective was clearly due, it was initiated in 1986 by the Walker Art Center in Minneapolis and only came to New York's Whitney Museum, which had turned it down, as a blushing afterthought.

Last year, Gehry won the $100,000 Pritzker architectural prize, whose previous laureates include Philip Johnson, I.M. Pei and Richard Meier. These days, he is, according to The New York Times, one of "the greatest architectural forces of our age" and "probably the nation's most important artist and architect." Time magazine selected his Loyola Law School (1984) as one of the buildings of the decade, and The New Yorker coolly acknowledged his arrival at the pinnacle of architectural fashion.

His dance card at present includes a $100-million, 2,500-seat concert hall in Los Angeles, a commercial center in Barcelona, EuroDisney's entertainment center near Paris, and the American Center in Bercy, a forlorn scrap of east Paris that is now the site of intense development. He will also continue to build private houses.

"Houses are a chance to explore and sculpt and do all the experimental things you can't do with buildings," Gehry says. The houses will be interesting because *he cannot be dull, but he says they* will not be showplaces: "I tell all my rich clients I'm going to make them into middle class clients because I don't like to build pretentious houses."

Gehry, a genial, rumpled man, thinks he can shoulder the burden of fame. "I was 60 when it came, if *it gets heavy I can retire," he says.* In 1984, when he was 55, he said that being accepted isn't everything.

Everything, he says today, is doing projects he is happy with. "I like it when the client is happy because I want to please people. I want approval in some way, but I don't want it for the wrong reasons. I don't want to convolute myself and turn myself into a pretzel just to get it. I'm pushing myself further, exploring. I' m super-critical about myself and I'm happy about it.'

If Gehry is super-critical he is not self-regarding, and if he wants approval he doesn't seek applause. He doesn't have the star-architect's shiny ego or the visionary's easy escapism. With strong *sculptor's hands he comes to grips* with the here and now, literally the nuts and bolts of living: exposed studs were an early trademark for ideological and economic reasons, along with corrugated metal, plywood, and chain-link *fencing.*

He calls himself a populist, a word that for Gehry, *not a simple* man despite his homespun manner, has many resonances, the most important one being a respect of the environment he is *building in.*

"The community is there. One has to respect it like one respects one's friends and neighbors. I try to be optimistic and accept the neighborhood and the people. You can't change the world, you can't make it over, you can't not live in the present, you deal with what you've got. So I think you can compose. It's like if you took this" — he moves a coffee *cup* and saucer into different positions next to a notebook — "and you get the right relationship. You get excited about it. You're always trying to build the thing that makes everything a little bit better by its relationship."

Ray Lustig/The Washington Post

Gehry, who has taken his place with Johnson, Pei and Meier.

For the American Center, his first building in France, Gehry will have to work in relationship with a street, a park, the new Ministry of Finance building which gives a curious impression of sliding into the Seine, and, next door, a housing project of 30-foot parcels, each to be built by a different architect. "The guy next door likes my work, which scares the hell out *of me," Gehry says.* "He's a sweet kid, it'll probably be all right."

The Center, now visible only in model form, will include in one building offices, rental apartments, art and dance studios, classrooms, a restaurant, theater and picture gallery. "I tried to have the building be joyous and I tried to keep it somewhat French, it does feel French to me."

Gehry isn't much on drawing plans, he likes to build model after model, modifying as he goes. In his last model, the Center's stone profile echoes the jumble of Paris rooftops. "They are animated, the rooftops, and while they look complete you come to a party wall and it cuts off. My whole thing was to have the building feel accessible, to have a more populist approach, not elitist. That's the way I feel about my architecture, that's my own shtick and it somehow fits with these guys."

These guys are Chairman of the Board Judith Pisar, the Center's executive director, Henry Pillsbury, and their French associate, Daniel Janicot. They are ideal clients, Gehry says, because they are active and intelligent. "The thing I try to avoid is corporate chiefs who get very little involved in the selection of architects. They let their lower echelons do it, like letting the wife choose the house. What happens with corporations is people tend to hire architects who look like then and that's absolutely the wrong thing to do. They should hire Philippe Starck, who looks wierd."

Gehry studied architecture at the University of Southern California and Harvard and opened his practice in 1962, after working a year in Paris with the architect André Remondet.

"The models when I grew up were Frank Lloyd Wright and the great iconoclasts. It was right after the war. America was freedom and everybody had a *right to express.* There is a whole process to push it back — that's what Prince Charles is doing — to put it back in a box. That's so anachronistic, it doesn't suit our time. The wonderful thing that happened to us is that Picasso invented Cubism and opened the door to a freedom that allowed art and architecture to deal with the present."

Philip Johnson, a very different kind of builder but the best architectural bloodhound of our times, was an early booster of Gehry who has since eluded attempts to stamp him as a Modernist, Postmodernist, Deconstructionist and Deconstructivist. His biggest influence — "My support system" he says — is his artist friends, painters and sculptors who work in direct relation to their materials, *which is perhaps why he prefers* to work with models and mock-ups.

He draws wonderfully but doesn't dare paint — "painting to me is like Mount Everest, I put painting on the biggest pedestal one could ever *imagine.*"

The paintings he has looked at, *going back to Carpaccio,* have influenced his building. "Paintings have an immediacy I tried to get in architecture. The spatial constructs, the feeling of composition, even how to build cities — those big processional painting. *And the presentation of light in* paintings distills it to a manageable reality that allows you to think about it concretely."

The artist Claes Oldenburg and his wife, Coosje van Bruggen, collaborated with Gehry on Camp Good Times, a California summer camp for children with cancer. Gehry, *who has two young sons,* asked Oldenburg and van Bruggen to work with him in order to make the project emotionally bearable.

The result was exhilarating and festive and it never got built because one of the backers thought the kids should have Huckleberry Finn log cabins instead.

In 1989, an equally difficult Gehry project for children opened in New Haven, Connecticut: the Yale Psychiatric Institute for schizophrenic adolescents. "They usually sweep schizophrenics under the carpet. It was interesting to build in an urban neighborhood because traditionally such clinics have been put in the suburbs."

Gehry's design follows the treatment model — "the minute patients come in they're pointed back to normality" — and was described by the critic Paul Goldberger as his richest and most resonant work in demonstrating the sincerity of his commitment to a social program.

Someone once called architects Boy Scouts with a power complex and Gehry find a lot of self-righteousness in the profession, and *too much rhetoric.*

"I think my intent is to explore the American aesthetic in some way for myself because when I was at Harvard it was heavily European and I felt like a second-class citizen in my own country.

"Being in Los Angeles I thought gave me the opportunity to explore my environment, explore my time not get involved in the intellectualizing."

Critics have wondered whether, with his loosely-woven Los Angeles background, Gehry will be able to work in the tighter East Coast and European fabric. "We'll see," he says. "I'm trying." The thing that's important for everyone to know is that I'm respectful. I'm not trying to shove anything on them."

He doesn't believe in making rules, since there are already so many to be obeyed, and he worries that the Prince of Wales's widely-publicized pronouncements on architecture do not take into account the way things are.

"None of us likes the things he doesn't like, but this is a pluralistic society and he has to accept *that these images happen because* of business and a lot of things that architects don't control.

"I can't put myself back in a box. I can't get interested in trying to re-create the past in any way," he says. "It would be a terrible *model to give to my children, that* I don't know what to do in the present."

LANGUAGE

Get Off Unneeded Of's

By William Safire

WASHINGTON — Dear Ace," begins a note from an old friend.

Ace, rooted in the Latin *as,* "unit," "single item" and the *ancient Roman* unit of weight — originally about three-quarters of a pound — has a variety of modern meanings. In Amslan, the American sign language of the deaf, the sign for No. 1 is sometimes used as the sign for the playing card ranked higher than a king; the *noun ace* means a lone, brave pilot with a record of shooting down many enemy planes, and in tennis, the verb *to ace* is to blaze a serve past an opponent on the first shot.

As a name, the word has a less heroic quality: Sid Zelinka, the comedy writer for the Marx Brothers and *other zanies,* told friends that whenever he wanted to spoof a company, he would name it the Ace (Whatever) — the Ace Detective Agency fell asleep on the job, the Ace Laundry lost the pillowcases, and so on.

Now to the body of the letter and the topic for today: "I see in my favorite sports section this morning the following, 'How big of a deal was Princeton's near upset of Georgetown.' " (*The citation is* presumably from The Washington Post, *of which my* correspondent is executive editor.)

"Everywhere I go I see that *of,*" continues Ben Bradlee, "and I hear it even more on radio and television. Is this something that you might find worthy of comment? Or *am I making all this up?*"

His editorial ear is keen as ever: the use of the infixed *of* in casual speech has been growing despite the efforts of language mavens to slap it down. "He's not that good *of* a blocker," says the TV sportscaster. "How big *of* an issue will the federal deficit be?" asks the nation-facer.

When I demand, in standard English, "Gimme a slice o' that salami," the proprietor of *the famed* Hole in the Wall delicatessen in Manhattan responds, "How big *of* a slice do you want?"

That is non-standard (the usage, not the salami). An adjective (like *big*) modified by an adverb of degree (like *how*) should not be followed by a preposition (like *of* in *modifying the noun that follows (in* this case, *slice.)* Standard English requires "How big a slice?" and the response "Not that big a slice because I'm having Miriam's Special." Poets can get away with *fair of face,* but that's archaic.

What about such phrases as *much of a muchness,* a Britishism meaning "similar," or *the Americanism too much of a good thing? Much, unlike big,* has also been used as a noun, dating back to the 14th century; however, *much* is primarily an adjective or adverb, and may be qualified by an adverb of degree, like *too.*

How long until the infixed *of* becomes standard — that is, deemed correct by those of us who make a living in syntax? The usage is halfway there; *not that big of a deal* is heard and accepted in speech to the point that it has *achieved* unassailable idiom status. However, the inserted *of* still looks funny in writing, and is a long way from being accepted as "formal." If you work for Ace Copy Editing, cut it out — unless it is in a quotation where the inserted *of* can remain as a transcription of common speech.

□

This is not the only case of an unneeded of. Consider "Where did you get that hat?" "I got it off of the hatrack."

"Well, get your cotton-picking hands off of my chapeau," James Shriver 3d, formerly of the Gallup Poll, *sent in a citation from* The Wall Street Journal: "One complex case began in March 1973, when the wings broke off *of* a Hercules cargo plane."

The word *off* started out as a variant of *of,* in the sense of the Latin *ab,* "away, *out from,*" expressing removal or derivation; by 1600, *off* gained its own adverbial sense ("the head flew off") and that detachment sense was applied in a preposition ("off his rocker.").

Although *off* and *of* now have separate lives, *off of* is still as redundant as it was when Shakespeare *used it. Get off it; never get off of it.*

Another case of *of*-abuse is in *could of* and *should of.* That's misinterpreting a pronunciation: when you want to say "I shoulda stood in bed," you mean "I should have stayed in bed"; the *should have* is often clipped to *should've,* which is then spelled mistakenly as *should of.* This is widely accepted as a rendering of dialectal speech, but not by me: the *'ve* is just as faithful a rendition of the sound and does not misinform the reader.

New York Times Service

INTERNATIONAL CLASSIFIED

PERSONALS

ENGAGEMENT
Wiesbaden January 7, 1990
PETRA KLEMBA & PAUL ZEGWAARD

MOVING

1992 - NOW !
interdean
INTERNATIONAL MOVERS
FOR A FREE ESTIMATE CALL
PARIS (1) 39569000

MARTINI TECHNOTRANS - NICE / CANNES. Tel: 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping, Car/Baggage, Clearance.

ANNOUNCEMENTS

MILA SCHON. The most refined of all ties, in ZURICH exclusively at WEINBERG's - leading men's store - 13, Bahnhofstr. 01-211 29 50

ALCOHOL PROBLEM ? ADDICTION ? An alternative to Treatment Centres. Psychotherapist Tel:UK 0534 69433.

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0220.

ANNOUNCEMENTS

THE AMERICAN UNIVERSITY OF PARIS
PART-TIME PROGRAM FOR ADULTS

CREDIT OR NON-CREDIT OPTION
Art History, Comparative Literature, Computer Science, European Cultural Studies, French Studies, Int'l. Affairs, Int'l. Business Administration, Int'l. Economics.
Call the Division of Continuing Education, Tel. 47.20.44.99. Classes begin Jan. 22.

INFORMATION FORUM on recent Congressional interest in issues affecting Americans abroad sponsored by Association of Americans Resident Overseas Mon. 15 Jan., Pershing Hall, 49 rue Pierre Charron, Paris 8, 6:30pm. Free admission.

LE CORDON BLEU cooking demos in English. Winter menus. Weds. 4pm. Jan. 17, 24, 31. Feb. 7, 14, 21, 28. March 7. Address 8 rue Leon Delhomme, 75015 Paris, Tel: 48 56 06 06.

ASSOCIATION AGAINST Mutilation of Children, sells cassette-videos on circumcision, PAUSCAM, P.O. England. F700 (F.O.B). Write to A.M.E., 50 Bld Jean Jaurès, 92100 Boulogne, France.

Place Your Classified Ad Quickly and Easily in the INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local IHT representative with your text. You will be informed of the cost immediately, and once prepayment is made your ad will appear within 48 hours.
There are 25 letters, signs and spaces in the first line and 36 in the *following lines. Minimum space is 3 lines. No abbreviations accepted.* Credit Cards: American Express, Diner's Club, Eurocard, Master Card, Access and Visa.

HEAD OFFICE
Paris: (For classified only): Tel.: (1) 46 37 93 85 Tlx.: 613595, Fx.: 46375212.

EUROPE
Andorra: 21365 - 21614. Fax: 61592.
Amsterdam: (020) 730 757.
Athens: 361-8397 / 360-2421.
Bergen (Norway): (05) 913070.
Brussels: 343-1899, 343-1914. Fax.: 346 03 53.
Copenhagen: (45) 31 42 93 25.
Dublin: 797600. Fax: 797621.
Edinburgh: 557 32 95. Fax: 557 56 50.
Frankfurt: (069) 72-67-55. Tx.: 416721, Fx.: 727310.
Helsinki: 647412.
Istanbul: 1494509. Tx.: 26383 ODVI TR.
Lausanne: (21) 29-30-21. Fx.: (21) 28-30-91.
Lisbon: (351-1) 247 72 93. Tx.: 66885 INTERO P. Fx.: 2477352.
London: (01) 836-4802. Tx.: 262009, Fx.: 2402254.
Madrid: 555-3206/555-2891.
Milano: 5462573.
Stockholm: (08) 7920949. Fx.: (08) 7920949.
Tel Aviv: 03-455 359.
Vienna: Contact Frankfurt.

NORTH AMERICA
New York: (212) 752 3890. Toll Free: (800) 572 7212. Tx.: 427 175. Fax: 755 8785.
Chicago: (312) 751-3477. Fx: (312) 751-2731
Houston: (713) 627-5930. Tx.: 910-881-6796. Fx.: 713-627-9191.
Los Angeles: (213) 850-8339. Tx.: 650 311 7639. Fx.: 2138518537.
San Francisco: (415) 362-6339. Fax.: (415) 362-5474.
Toronto: (416) 585-5485. Tx.: 06-219629. Fx.: 416 5855275.
Honolulu: (808) 735-9188 Fx.: (808) 737-1426

AFRICA
Tunis: 710 797.

SOUTHERN AFRICA
Bryanston: 706 14 08.

LATIN AMERICA
Bogota: 236 9747 - 256 6096.
Buenos Aires: 313 33 31
Caribbean: based in Florida. Tel.: (407) 869-8338. Fx: (407) 869-0683.
Costa Rica: (506) 240642. Tx.: 1050 RACSA.
Guayaquil: 32 12 66. Tx.: 3196, Fx: 32 22 74.
La Paz (Bolivia): (00591-2) 359842. Tx.: 3252 (TESTERBV). Fx.: (00591-2) - 358293.
Lima: 417 852.
Mexico: 535 31 64.
Panama: 69 09 75.
Rio de Janeiro: 247-7016. Tx.: 2139986, Fx.: 2468787.

MIDDLE EAST
Amman: 62 44 30.
Bahrain: 270741.
Beirut: 341 457/8/9.
Cairo: 3499838.
Doha: 416535.
Dubai: 224161.
Jeddah: 667-1500.
Kuwait: 252-3485. Fx.:245 24 69.
Oman: 70 80 49.
Sana'a: 272-572. Fx.:274 129.

FAR EAST
Hong Kong: 5-861 06 16. Tx.: 61170, Fx.: (852) 5-861 3073.
Bangkok: 298 32 44.
Bombay: 413 73 96.
Jakarta: 586077.
Karachi (Pakistan): 52 69 01.
Kathmandu: 221-576.
Manila: 817 07 49.
Seoul: 734 76 11.
Singapore: 223 64 78/9.
Taiwan: 752 44 25/9.
Tokyo: 504-1925.

AUSTRALIA
Middle Park: (03) 696 02 88

NEW ZEALAND
Auckland: 775 120.

ANNOUNCEMENTS

USADIRECT
CALLING THE STATES FROM OVERSEAS AS HAS NEVER BEEN EASIER WITH USADIRECT SERVICE

All you have to do is dial a number to be connected to an AT&T operator in the U.S.

AUSTRALIA 0014-881-011
AUSTRIA 022-903-011
BELGIUM 11-0010
BRAZIL 000-8010
BR. VIRGIN IS. 1-800-872-2881
DENMARK 0430-0010
FINLAND 9800-100-10
FRANCE 19*-0011
GERMANY, FRG 0130-0010
HONG KONG 008-1111
ITALY 172-1011
JAPAN 0039-111
NETHERLANDS 06*-022-9111
NEW ZEALAND 000-911
NORWAY 050-12-011
SWEDEN 020-795-611
SWITZERLAND 046-05-0011

UNITED KINGDOM 0800-89-0011
* Await second dial tone
1.Available on a trial basis only.
2.Available only from Milan and Rome
3.Not available from all locations.
4.Can required for local access
There may be a short delay of up to 30 seconds between dialing and operator response.
While in the USA dial 1-800-874-4000 Ext. 344 for more information.

AT&T
The right choice.
Cut out & save for easy reference.

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.
THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Houston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.

Subscription copies are now flown directly to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884
In New York, call (212) 752-3890
or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

LONDON TRIP? Best seats available Phantom, Aspects of Love, Les Mis, Cats, Miss Saigon etc. Book Now! on 01 388 1594 or 0836 759972.

BUSINESS OPPORTUNITIES

OFFSHORE COMPANIES FROM ONLY £100

• HONG KONG	£100
• IRELAND	£175
• GIBRALTAR	£250
• TURKS & CAICOS	US$750
• BVI	US$1050
• UK	£100

For immediate service and brochure by return contact:
Jon Stronach BA
INTERNATIONAL COMPANY SERVICES LIMITED
Sovereign House, 51 Jobns. Isle of Man, British Isles
Tel:(0624) 801801 Fax:(0624) 801800

OFFSHORE COMPANIES TRUSTS INSURANCE COMPANIES. BANKS

We are ten years established in providing offshore services to companies engaged in all types of businesses.
ASTON CORPORATE MANAGEMENT
19, Peel Road, Douglas, Isle of Man.
Tel: 0624 26591 Tlx: 627691 ASTON Fax: 0624 25126

Prezzer House, Westminster, London. Tel:(1) 222 8866 Fax:(1) 233 1519.

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US$150
Comprehensive professional services include nominees, Representative offices, Powers of attorney, Telex, telephone Fax, mail forwarding worldwide
Inland Resources National House, Sexton, Isle of Man.
Phone: (0624) 824555
Tlx 628352 Inland G. Fax: (0624) 822549

TEXTILE MACHINERY
Tompson Prendrichsen Machine
Cotton Swab Forming Machine
Cotton Pad Machine
K. FASSBIND-LUDWIG & Co. AG
CH-8646 Wagen b. Jona
Switzerland
Tel: (55) 28 37 41, Tlx: 875349 FALU CH
Telefax: 055-28 42 60

HONG KONG COMP., $360. Annual cost $315. SE Ltd. 701, 25 Queen's Rd. HK. Tlx 83870, Fax: 852-5-8400217.

BUSINESS OPPORTUNITIES

DISTRIBUTORSHIPS AVAILABLE Telephone with artificial intelligence. Dials desired person upon pronouncing his name. 100 name memory. Order one $1.99 + F.O.B. Santa Clara, CA USA) and discover its many other features. SPEAKING DEVICES CORP. Tel: 408-727-0540 Fax: 408-727-9351

SHARES AVAILABLE in very rich syndicated gold mining in Papua New Guinea Indonesia. For details Fax: 60-3-2415759.

BUSINESS SERVICES

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 01-499-9192. Tx 262690.

FINANCIAL SERVICES

COMMERCIAL & FIDUCIARY BANK LTD VANUATU
Financial and fiduciary banking services offered: closing bank facilities P/N - ST. By L/C available from top banks. For information: our Rome-Italy office. Tel (6) 844.27.76 or 844.27.77 Fax 863.879

FIRST INDEX OPTION PROGRAM Proven 6 years average +351% FRANCE: (33) 32670605 or 32368004.

BUSINESS OPPORTUNITIES

DISTRIBUTORSHIPS AVAILABLE Telephone with artificial intelligence. Dials desired person upon pronouncing his name. 100 name memory. Order one $1.99 + F.O.B. Santa Clara, CA USA) and discover its many other features. SPEAKING DEVICES CORP. Tel: 408-727-0540 Fax: 408-727-9351

SHARES AVAILABLE in very rich syndicated gold mining in Papua New Guinea Indonesia. For details Fax: 60-3-2415759.

BUSINESS SERVICES

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 01-499-9192. Tx 262690.

FINANCIAL SERVICES

COMMERCIAL & FIDUCIARY BANK LTD VANUATU
Financial and fiduciary banking services offered: closing bank facilities P/N - ST. By L/C available from top banks. For information: our Rome-Italy office. Tel (6) 844.27.76 or 844.27.77 Fax 863.879

FIRST INDEX OPTION PROGRAM Proven 6 years average +351% FRANCE: (33) 32670605 or 32368004.

FINANCIAL INVESTMENTS

PRINCIPALITY OF MONACO
Offers real estate investors very interesting apartments, offices, parkings, good profit guarantee.
For further details contact:
INTERMEDIA
Exclusive Sole Agent
MONTE CARLO
Tel: 93.50.66.84
Fax: 93.50.45.52
Tlx: 469477 MC

DIAMONDS

WE BUY DIAMONDS & diamond jewellery by appointment only. Elgazi, Pelikaanstr. 62, 2018 Antwerp Belgium Tel: 32-3-2335317. Fax 323-2339513.

OFFICE SERVICES

LONDON Elegant serviced offices including Secretaries, Fax, Conference rooms. Mailing address also available. Tel: UK 01-494-2223.

REAL ESTATE FOR SALE

FRENCH PROVINCES

CHATEAU WITH CHARCTER
19th century style + outbuildings.
SOLOGNE - HUNTING
Near Romorantin, on 18 ha land comprising:
- 2ha treed park
- 1 ha pond
- 15 ha fields & woods
Excellent condition, new roof
F3,400,000
FIL, Paris (1) 45 50 44 22

PARIS & SUBURBS

NEUILLY
SUPERB DUPLEX 170 SQ.M. + balcony, 4 fireplaces, 3 baths, 2 parkings. F9,500,000. LAMY: 40.70.18.84

Montmartre Superb View
2-room pied-à-terre
6th floor, lift, perfect condition
PHILIP HAWKES (1) 42.68.11.11.

4th MARAIS near Place des Vosges. XVII building, lift, duplex of quality with character & charm, living, 2 bedrooms, 2 baths, parking. DE VILLES 42.24.09.37

8th, RUE BALZAC, 60 sq.m. Bright, comfort. View Champs Elysees. F3,900,000. Tel: Paris 49.53.05.37.

REAL ESTATE TO RENT/SHARE

FRENCH PROVINCES

CANNES -CROISETTE center. Very lovely 42 sq.m. apartment, comforts, TV, view sea & greenery, recently. Free now. Week/month/year. Tel: 45 72 53 68 4pm - 7pm

GREAT BRITAIN

LONDON, KNIGHTSBRIDGE VILLAGE Larger 19th Century FREEHOLD Town House. 3 beds/en suite baths. Large drawing room & superb sized dining room & kitchen. On 4 floors in quiet cul de sac just 2 mins Harrods. Lavish carpets and curtains included. For sale or rent. Tel: 0742 701002 or 712741 office hours. Fax: 0742 750526.

LONDON LUXURY apartments in all central areas, including Mayfair + Knightsbridge. Minimum stay 2 nights, cheaper than luxury hotel. Discount for longer stays. Driver will meet your flight at Gatwick or Heathrow. M P Estates. Tel (1) 499 2154 anytime.

LONDON Close Wimbledon/Putney. Spacious comfortable flat, large double bed, reception, kitchen, bath. Near station 15 mins Sloane Square. £165/wk Adams Tel 01 874 9885.

KNIGHTSBRIDGE £48 per night Luxury serviced apartments, beside Harrods. Kensington flats £92/night. Oxbridge apartments Tel:835 1611 Fax:370 0056.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

INTER URBIS
UNFURNISHED/FURNISHED RENTALS
FLATS & HOUSES FOR SALE
31 rue de Monceau, Paris 8th.
Tel: 45 63 17 77

RESIDENCE CITY
THE VERY BEST RENTALS
Phone Paris 45 27 12 19

PARIS BIENVENUE. Furnished studios & apartments in central Paris, nightly, weekly, monthly. Chauffeur available to & from airport. 47 53 80 81.

5TH PANTHEON. Large charming living, dining, 2 bedrooms, 2 baths, eat-in kitchen, sunny, lovely views. F14,000. Tel: 47.03.79.99

ILE ST. LOUIS. Magnificent duplex, huge living/dining, 3 bedrooms, American kitchen, beams, fireplace, very sunny & charming. F25,000. 47.03.79.99.

HIGH STANDARD furnished apartments, best areas, from 3 months to 3 years, exclusive. Tel: 47.53.86.38.

15TH MONTPARNASSE studio, all comforts, TV, 1st floor on garden. Very bright. F4300 net. 42.47.12.48.

STUDIO - MARAIS - BY OWNER. F3,000. Minimum 7 months. Telephone 42.71.64.38, evenings.

18TH CHAPELLE, close to A1 & periphérique, 2 rooms, 53 sq.m. with garage. F5900 net. Tel: 40.92.07.64

ST GERMAIN DES PRES, 45 sq.m. elegant flat, for 6 weeks. F6000/month net. Tel: 46 33 46 48

7th, SOUBISING, beautiful large living + 1 bedroom, newly redone, lovely furnishings, quiet. F8,500. Tel 47.03.79.99

8th FBG ST HONORE. Beautiful double living + 1 bedroom, well furnished & equipped. F10,000. 47 20 37 99.

(92), ST CLOUD. Large 2/3 room in park, all comforts, F5500 net. GRISS 42.84.11.70.

PARIS AREA UNFURNISHED

Embassy Service
8 Ave. de Messine
75008 Paris
YOUR REAL ESTATE AGENT IN PARIS
45.62.30.00
FAX 42.89.21.54

16th MUETTE - 4 rooms, 2 baths, new, Americanized, 110 sq.m. Sun, parking. F14,500 + utility charges. 45.80.87.07

14th PORT ROYAL Beautiful 2-room, door, ceiling, all comforts, F4600 net. GRISS 42.85.11.70.

EMPLOYMENT

SECRETARIAL POSITIONS AVAILABLE

INTERNATIONAL CONSULTANTS SEEK
ENGLISH/FRENCH FULLY BILINGUAL SECRETARY/P.A.
On a permanent basis.
Shorthand in both languages.
Experienced in word processing.
Extensive client relations.
Non-smokers only.
Please send handwritten letter with C.V. and salary required to:
MONCEAU INTERNATIONAL
43 avenue de Friedland, 75008 Paris

EDUCATIONAL POSITIONS AVAILABLE

EXPERIENCED AND QUALIFIED ESL teachers wanted for training institute in Paris. Must have French working papers. Send letter & CV to Box 1304, I.H.T., 92521 Neuilly Cedex, France.

NATIONS wishes to recruit English trainers, especially those with experience in technical and business English. Please call Nations, Paris 45 56 1d 41.

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. Tel 4225 6444. Nice 9221 3550. Antwerp 233 9985. Cannes 9209 4244

AUTOS TAX FREE

TRASCO BREMEN. Tax free new and used Alfa, Audi, BMW, Ford, Mercedes, Opel, Porsche, Volkswagen, Volvo. Steindamm 38, 2820 Bremen 77, Germany. Tlx: 244624 Fax: (0)421/630205. Tel: (0)421/633044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steindamm 38, D-2820 Bremen 77 Germany. Tlx: 244634. Fax: (0)421/630205. Tel: (0)421/633044.

AUTO SERVICES

LICENSE PLATES acquired! Fast solution: Panshon Ltd., BCM, Box 49, LONDON WC1N 3XX, UK. Tel 01-404-5011 & 01-8469913. We insure also cars at once.

AVIATION

OLYMPIA AIRWAYS ANNOUNCES that it offers for sale three new aircrafts B767-200 ER and two spare engines PW 4050. Closing date for quotations is January 25th 1990. Quotations can be addressed to: Mr. M. Xenakis, Asset. Director General, Operations, Athens, Greece. Tel: 9820244 or 9892180. Telex 210659 OAUT GR. Fax: 9815219.

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1295	F2295
Los Angeles	F1895	F3590
Miami	F1495	F3190
Montreal	F1600	F1890
Vancouver	F2250	F4195
Rio de Janeiro	F3195	F4995
Australia	F4510	F7990
Japan	F4195	F7595
Caribbean	F1490	F2960

and more destinations ...
Discount on 1st & business class
Rates subject to modifications
Restrictions may apply
Tel: (1) 40.13.09.00 & 45.21.46.94
Fax 45 08 83 35
6 rue Pierre Lescot, 75001 Paris
Metro - RER Chatelet Les Halles (Ex. 1,7,11...) and also

ACCESS IN LYONS
Tour Credit Lyonnais, 129 rue Servient 69003 Lyons. Tel: (16) 78 63 07 77
Book now by phone with credit card

VISIT USA
Discounted fares to USA on all dates and including CONCORDE-FIRST-BUSINESS from London and other selected European cities. Last minute tickets available. APC-American Passenger Consolidators, 15a Shepherds Market, Mayfair, London W1Y 7HR. Tel: 01-499-0743. Fax: 01-495-3952.

WORLDWIDE scheduled departure at the lowest ever discounts economy or 1st class airfare. Credit cards possible. Paris: 42 89 10 81 or Fax: 42 56 25 82

HOLIDAYS & TRAVEL

KNIGHTSBRIDGE Paying Guest in Family home, dinner if required, references. Reply to Box 3173, I.H.T., 63 Long Acre, London, WC2E 9JH

HOTELS

GREAT BRITAIN

spend Christmas at
THE BARKSTON HOTEL
BARKSTON GARDENS
KENSINGTON LONDON SW5 0EW
Traditional friendly Hotel beside underground. Direct line to Heathrow. Walking distance Exhibition Centres. Near museums, Harrods, Knightsbridge and Hyde Park.
Single £49.50 Double/Twin £66.00
Inc Vat. 20% discount during Christmas Period 20th December - 3rd January.
TEL: 01 373 7651
FAX: 01 370 6570

CENTRAL LONDON Holiday apartments. Tel 01 228 7158. Details 43 Whestem Avenue, London SW17 3TS.

BOOKS

A SPECIALIST BUYS SECOND HAND books in English or other languages for a new foreign department - Offers to: Joseph Gibert purchase company, SACELP, 2 rue de l'Ecole de Medecine, 75006 Paris.

EDUCATION

SECRETS OF PARIS FASHION. One week study program, begins 4 Feb. P.A.A. 9 rue des Ursulines, 75005 Paris Tel: 43.25.35.09. Fax: 43.54.57.98.

Page 15 FOR MORE CLASSIFIEDS

SECRETARIAL POSITIONS

GROUPE CIMENTS FRANCAIS

SECRETAIRE BILINGUE ANGLAIS

Nous sommes l'un des tous premiers groupes internationaux, diversifié dans la fabrication et la commercialisation de matériaux de construction.

Rattaché à la direction des AFFAIRES JURIDIQUES du groupe, notre responsable des assurances recherche sa

SECRETAIRE-ASSISTANTE

De formation BTSS ou équivalent, vous avez acquis au cours de vos 3 années d'expérience minimum, une parfaite maîtrise des techniques du secrétariat : agenda, organisation de voyages, pratique de la micro-informatique et de la sténo (française et anglaise). Vous prendrez progressivement en charge le suivi des dossiers du département.

Parfaitement bilingue anglais ou de langue maternelle anglaise, vous avez de bonnes notions d'espagnol. Votre connaissance du milieu de l'assurance serait un atout supplémentaire. Rigoureuse, organisée, vous avez le goût des contacts et le sens de l'équipe.

Votre autonomie, votre volonté de travailler dans un contexte international vous permettront de faire évoluer votre fonction.

Poste basé à la Défense

Merci d'adresser votre candidature sous réf 118 HT à notre Conseil ORBE 41, avenue George V - 75008 Paris, qui l'étudiera en toute confidentialité.

ORBE

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.